

# Senate Study Bill 3125 - Introduced

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
COMMERCE/BANKING DIVISION  
BILL)

## A BILL FOR

1 An Act relating to matters under the purview of the banking  
2 division of the department of commerce, and including  
3 effective date provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

MUTUAL OWNERSHIP FOR STATE-CHARTERED BANKS AND STATE HOLDING  
COMPANIES TO FACILITATE CONVERSIONS BY FEDERALLY CHARTERED  
SAVINGS ASSOCIATIONS

Section 1. Section 524.103, subsections 27 and 28, Code 2011, are amended to read as follows:

27. "*Member*" means a person with a membership interest in a state bank organized as a limited liability company or incorporated as a mutual corporation under this chapter.

28. "*Membership interest*" means a member's share of the profits and losses, the right to receive distributions of assets, and any right to vote or participate in management of a state bank organized as a limited liability company under this chapter or of a state bank incorporated as a mutual corporation under this chapter.

Sec. 2. Section 524.103, Code 2011, is amended by adding the following new subsections:

NEW SUBSECTION. 27A. "*Member vote*" means one vote for each one hundred dollars, or fraction thereof, of the withdrawal value of a member's account with respect to a mutual corporation.

NEW SUBSECTION. 29A. "*Mutual bank holding company*" means a bank holding company that is a mutual corporation or that owns or controls a mutual corporation.

NEW SUBSECTION. 29B. "*Mutual corporation*" means a corporation that is incorporated on a mutual ownership basis under this chapter or converted to become subject to this chapter and is not authorized to issue capital stock.

Sec. 3. Section 524.103, subsections 35, 36, and 39, Code 2011, are amended to read as follows:

35. "*Shareholder*" means one who is a holder of record of shares in a state bank. If a state bank is organized as a limited liability company under this chapter, "*shareholder*" means ~~any~~ a member of the limited liability company. If a state bank is incorporated as a mutual corporation under

1 this chapter, "shareholder" means a member of the mutual  
2 corporation.

3 36. "*Shares*" means the units into which the proprietary  
4 interests in a state bank incorporated as a stock corporation  
5 are divided, including any membership interests of a state bank  
6 organized as a limited liability company under this chapter.

7 39. "*State bank*" means any bank incorporated pursuant to  
8 the provisions of this chapter after January 1, 1970, and any  
9 "*state bank*" ~~or "*savings bank*"~~ incorporated pursuant to the laws  
10 of this state and doing business as such on January 1, 1970,  
11 or a bank organized as a limited liability company or a mutual  
12 corporation under this chapter.

13 Sec. 4. Section 524.103, Code 2011, is amended by adding the  
14 following new subsection:

15 NEW SUBSECTION. 39A. "*Stock corporation*" means a  
16 corporation which is authorized to issue capital stock.

17 Sec. 5. Section 524.302, subsection 1, paragraph d, Code  
18 2011, is amended to read as follows:

19 d. (1) The If the state bank will be a stock corporation,  
20 the aggregate number of common and preferred shares which the  
21 state bank shall have authority to issue and the par value of  
22 such shares. If such shares are to be divided into classes  
23 or series, the number of shares of each class or series and  
24 a statement of the par value of the shares of each class or  
25 series.

26 (2) If the state bank will be a mutual corporation, that the  
27 corporation will be a mutual corporation.

28 Sec. 6. NEW SECTION. 524.316 **State banks as mutual**  
29 **corporations.**

30 The superintendent may adopt rules to ensure that a state  
31 bank incorporated as a mutual corporation is operating in a  
32 safe and sound manner and is subject to the superintendent's  
33 authority in the same manner as a state bank incorporated as a  
34 stock corporation.

35 Sec. 7. Section 524.405, Code 2011, is amended to read as

1 follows:

2     **524.405 Increase or decrease of capital structure.**

3     1. A state bank incorporated as a stock corporation may  
4 increase its capital structure or effect an allocation of  
5 amounts within its capital structure, by the use of any of the  
6 following methods:

7       a. Sale of authorized but unissued shares.

8       b. Transfer of surplus or undivided profits to capital for  
9 authorized but unissued shares.

10      c. Transfer of undivided profits to surplus.

11      d. Authorization and issuance of common shares, preferred  
12 shares, or capital notes or debentures.

13     2. The superintendent, whenever it appears necessary to do  
14 so in the interest of the safety of the deposits of a state  
15 bank incorporated as a stock corporation, may require that the  
16 capital structure of the state bank be increased by either of  
17 the methods provided for in subsection 1, paragraphs "a" and  
18 "d".

19     3. Capital or surplus shall not be decreased except with the  
20 approval of the superintendent.

21     4. A state bank incorporated as a mutual corporation  
22 may raise capital by accepting payments on savings and  
23 demand accounts and by any other means authorized by the  
24 superintendent. Whenever it appears necessary to do so in  
25 the interest of the safety of the deposits of a state bank  
26 incorporated as a mutual corporation, the superintendent  
27 may require that the capital structure of the state bank be  
28 increased by any means authorized by the superintendent.

29     Sec. 8. Section 524.521, subsections 1 and 2, Code 2011, are  
30 amended to read as follows:

31     1. The articles of incorporation of a stock corporation  
32 must prescribe the classes of shares and the number of shares  
33 of each class that the state bank is authorized to issue. If  
34 more than one class of shares is authorized, the articles of  
35 incorporation must prescribe a distinguishing designation for

1 each class. Prior to the issuance of shares of a class, the  
2 preferences, limitations, and relative rights of that class  
3 must be described in the articles of incorporation. All shares  
4 of a class must have preferences, limitations, and relative  
5 rights identical with those of other shares of the same class  
6 except to the extent otherwise permitted by section 524.523.

7 2. The articles of incorporation of a stock corporation must  
8 authorize both of the following:

9 a. One or more classes of shares that together have  
10 unlimited voting rights.

11 b. One or more classes of shares, which may be the same  
12 class or classes as those with voting rights, that together  
13 are entitled to receive the net assets of the state bank upon  
14 dissolution.

15 Sec. 9. Section 524.523, subsection 1, Code 2011, is amended  
16 to read as follows:

17 1. The shares of a state bank incorporated as a stock  
18 corporation shall be represented by certificates signed by  
19 such officers, employees, or agents as are authorized by the  
20 articles of incorporation or bylaws to sign. If no contrary  
21 provisions are made in the articles of incorporation or bylaws,  
22 the certificates shall be signed by the president or a vice  
23 president and the cashier or an assistant cashier of the state  
24 bank.

25 Sec. 10. Section 524.526, subsection 1, unnumbered  
26 paragraph 1, Code 2011, is amended to read as follows:

27 A state bank incorporated as a stock corporation may do any  
28 of the following:

29 Sec. 11. Section 524.527, Code 2011, is amended to read as  
30 follows:

31 **524.527 Liability of shareholders.**

32 1. A purchaser of the shares of a state bank incorporated as  
33 a stock corporation is not liable to the bank, its creditors,  
34 or depositors with respect to the shares except to pay the  
35 consideration for which the shares were authorized to be issued

1 under section 524.521, or the consideration specified in the  
2 subscription agreement authorized under section 524.525.

3 2. Unless otherwise provided in the articles of  
4 incorporation, a shareholder of a state bank is not personally  
5 liable for the acts or debts of the state bank, its creditors,  
6 or depositors.

7 3. A member of a state bank incorporated as a mutual  
8 corporation is not personally liable for the acts or debts of  
9 the state bank, its creditors, or depositors.

10 Sec. 12. NEW SECTION. 524.538A Voting by member of mutual  
11 corporation.

12 All holders of savings, demand, or other authorized  
13 accounts of a bank incorporated as or converted to be a  
14 mutual corporation are members of the state bank. In the  
15 consideration of all questions requiring action by the members  
16 of the state bank, each holder of an account shall be permitted  
17 to cast one vote for each one hundred dollars, or fraction  
18 thereof, of the withdrawal value of the member's account. No  
19 member, however, shall cast more than one thousand member  
20 votes. All accounts shall be nonassessable.

21 Sec. 13. Section 524.545, Code 2011, is amended to read as  
22 follows:

23 **524.545 Options for shares.**

24 A state bank incorporated as a stock corporation may  
25 authorize the granting of options to officers and employees to  
26 purchase unissued shares of the state bank in accordance with a  
27 plan approved by the superintendent.

28 Sec. 14. NEW SECTION. 524.1421 Mutual to stock conversions.

29 1. A mutual corporation, a mutual holding company, a  
30 federal mutual association, or a federal mutual holding  
31 company, subject to the provisions of this chapter, may convert  
32 into a stock corporation that is either a state bank or a  
33 state bank mutual bank holding company upon approval of the  
34 superintendent.

35 2. A mutual corporation, a mutual holding company, a federal

1 mutual association, or a federal mutual holding company shall  
2 make an application to the superintendent for approval of  
3 the conversion in a manner prescribed by the superintendent  
4 and shall deliver to the superintendent, when available, the  
5 following:

6     a. Articles of conversion.

7     b. A business plan addressing factors prescribed by the  
8 superintendent.

9     c. Proof of publication of the notice required by section  
10 524.1422.

11     d. The applicable fee payable to the secretary of state,  
12 under section 490.122, for the filing and recording of the  
13 articles of conversion.

14     3. The superintendent may adopt rules governing mutual to  
15 stock conversions.

16     Sec. 15. NEW SECTION. 524.1422 Notice of mutual to stock  
17 conversion.

18     Within thirty days after an application for conversion has  
19 been accepted for processing, the mutual corporation, mutual  
20 holding company, federal mutual association, or federal mutual  
21 holding company shall publish a notice of the delivery of the  
22 articles of conversion to the superintendent in a newspaper of  
23 general circulation published in the municipal corporation or  
24 unincorporated area in which the mutual corporation, mutual  
25 holding company, federal mutual association, or federal mutual  
26 holding company has its principal place of business, or if  
27 there is none, a newspaper of general circulation published  
28 in the county, or in a county adjoining the county, in which  
29 the mutual corporation, mutual holding company, federal  
30 mutual association, or federal mutual holding company has its  
31 principal place of business. The notice shall set forth the  
32 information required by the superintendent.

33     Sec. 16. Section 524.1504, subsection 1, paragraphs e and f,  
34 Code 2011, are amended to read as follows:

35     e. The For a stock corporation, the number of shares

1 entitled to vote on the amendment, and if the shares of any  
2 class are entitled to vote thereon as a class, the number of  
3 shares of each class. For a mutual corporation, the number of  
4 member votes entitled to be cast.

5 f. The number of shares or member votes voted for and  
6 against such amendment, respectively, and if the shares of any  
7 class are entitled to vote thereon as a class, the number of  
8 shares of each such class voted for and against such amendment.

9 Sec. 17. NEW SECTION. 524.1809 Mutual bank holding  
10 companies.

11 1. A state bank may be owned, directly or indirectly, by a  
12 mutual bank holding company.

13 2. A mutual holding company authorized pursuant to 12 U.S.C.  
14 § 1467a and regulations promulgated thereunder may convert to a  
15 mutual bank holding company authorized under this chapter.

16 3. A mutual corporation may reorganize as a mutual holding  
17 company in the manner provided in 12 U.S.C. § 1467a(o). The  
18 resulting mutual holding company shall be a mutual bank holding  
19 company authorized under this chapter.

20 4. A mutual bank holding company authorized under this  
21 chapter shall also be subject to chapter 490, the Iowa business  
22 corporations Act. If a provision of chapter 490 conflicts with  
23 the provisions of this chapter or a rule of the superintendent  
24 adopted pursuant to this chapter, the provisions of this  
25 chapter or rule of the superintendent shall control.

26 5. The superintendent may adopt rules pursuant to  
27 chapter 17A pertaining to mutual bank holding companies and  
28 reorganizations into mutual bank holding companies under this  
29 chapter.

30 Sec. 18. EFFECTIVE UPON ENACTMENT. This division of this  
31 Act, being deemed of immediate importance, takes effect upon  
32 enactment.

33 DIVISION II

34 MISCELLANEOUS PROVISIONS

35 Sec. 19. Section 524.226, unnumbered paragraph 4, Code



1 2011, is amended to read as follows:

2 The superintendent, during the period of the  
3 superintendent's management of the property and business of the  
4 state bank, ~~and prior to such time as the superintendent may~~  
5 ~~apply to the district court for appointment as receiver,~~ may  
6 require reimbursement by the state bank to the extent of the  
7 expenses incurred by the superintendent in connection with such  
8 management.

9 Sec. 20. Section 524.802, subsection 9, Code 2011, is  
10 amended to read as follows:

11 9. Acquire and hold shares of stock in the appropriate  
12 federal home loan bank and to exercise all powers conferred on  
13 member banks of the federal home loan bank system that are not  
14 inconsistent with this chapter. A purchase of federal home  
15 loan bank shares which causes the state bank's holdings to  
16 exceed fifteen percent of aggregate capital requires the prior  
17 approval of the superintendent. In addition, a state bank  
18 may own federal home loan bank shares in an amount exceeding  
19 fifteen percent of the state bank's aggregate capital, but not  
20 exceeding twenty-five percent of the state bank's aggregate  
21 capital, if the ownership of shares exceeding fifteen percent  
22 is needed to support the state bank's participation in the  
23 federal home loan bank's acquired member assets program as  
24 provided for in 12 C.F.R. pt. 955.

25 Sec. 21. Section 524.1103, Code 2011, is amended to read as  
26 follows:

27 **524.1103 Exceptions.**

28 1. The provisions of section 524.1102 shall not apply to any  
29 affiliate:

30 ~~1-~~ a. Engaged solely in holding or operating real  
31 estate used wholly or substantially by the state bank in its  
32 operations or acquired for its future use.

33 ~~2-~~ b. Engaged solely in conducting a safe-deposit business  
34 or the business of an agricultural credit corporation eligible  
35 to discount loans with a farm credit bank.

1     ~~3.~~ c. Engaged solely in holding obligations of the United  
2 States, the farm credit banks, the federal home loan banks,  
3 or obligations fully guaranteed by the United States as to  
4 principal and interest.

5     ~~4.~~ d. Where the affiliate relationship has arisen as  
6 a result of shares acquired in satisfaction of a bona fide  
7 debt contracted prior to the date of the creation of such  
8 relationship provided that such shares shall be sold at public  
9 or private sale within one year from the date of the creation  
10 of the relationship, unless the time is extended by the  
11 superintendent.

12     ~~5.~~ e. Where the affiliate relationship exists by reason  
13 of the ownership or control of any voting shares thereof by  
14 a state bank as executor, administrator, trustee, receiver,  
15 agent, depository, or in any other fiduciary capacity, except  
16 where such shares are held for the benefit of all or a majority  
17 of the shareholders of such state bank.

18     ~~6.~~ f. Which is a bank.

19     ~~7.~~ g. Which is an operations subsidiary or other subsidiary  
20 in which the state bank owns or controls eighty percent or more  
21 of the voting shares. However, an operations subsidiary shall  
22 not conduct any activity at any location where the state bank  
23 itself would not be permitted to conduct that activity without  
24 the prior approval of the superintendent.

25     2. a. The superintendent may, in the superintendent's  
26 discretion, by regulation or order, exempt transactions or  
27 relationships from the requirements of section 524.1102 if  
28 the superintendent finds such exemptions to be in the public  
29 interest and consistent with the purposes of section 524.1102.

30     b. A state bank may request an exemption from the  
31 requirements of section 524.1102 by submitting a written  
32 request to the superintendent including all of the following:

33     (1) A detailed description of the transaction or  
34 relationship for which the state bank seeks an exemption.

35     (2) A statement of the reasons for exemption of the

1 transaction or relationship.

2 (3) An explanation of how the exemption would be in the  
3 public interest and consistent with the purposes of section  
4 524.1102.

5 Sec. 22. Section 524.1305, subsection 9, Code 2011, is  
6 amended to read as follows:

7 9. If at any time during the course of dissolution  
8 proceedings the superintendent finds that the assets of the  
9 state bank will not be sufficient to discharge its obligations,  
10 the superintendent shall ~~apply to the district court for~~  
11 ~~appointment as receiver~~ tender to the federal deposit insurance  
12 corporation the receivership in the manner required by section  
13 524.1310, and the dissolution shall thereafter be treated as an  
14 involuntary dissolution in accordance with the terms of that  
15 section and sections 524.1311 and 524.1312.

16 Sec. 23. Section 524.1310, Code 2011, is amended to read as  
17 follows:

18 **524.1310 Involuntary dissolution after commencement of**  
19 **business — superintendent as receiver.**

20 1. a. In a situation in which the superintendent has  
21 required, in accordance with section 524.226, that the state  
22 bank cease to carry on its business, the superintendent shall  
23 ~~apply to the district court for the county in which the state~~  
24 ~~bank is located for appointment as receiver for the state~~  
25 ~~bank. The district court shall appoint the superintendent as~~  
26 ~~receiver unless the superintendent has tendered the appointment~~  
27 ~~to the federal deposit insurance corporation as provided for~~  
28 ~~in section 524.1313, in which case the district court shall~~  
29 ~~appoint~~ tender to the federal deposit insurance corporation  
30 ~~as receiver~~ the receivership for the state bank. The affairs  
31 of the state bank shall thereafter be ~~under the direction of~~  
32 ~~the district court, and the assets of the state bank shall be~~  
33 ~~distributed in accordance with section 524.1312~~ governed by  
34 this section, section 524.1311, and the provisions of federal  
35 law, and shall be subject to federal court jurisdiction, and

1 the assets of the state bank shall be distributed in accordance  
2 with section 524.1312. If there is a conflict between the  
3 provisions of state and federal law, federal law shall govern.

4 b. All amounts due creditors and shareholders described  
5 in section 490.1440 shall be deposited with the treasurer of  
6 state in accordance with that section. Such amounts shall be  
7 retained by the treasurer of state and subject to claim in  
8 the manner provided for in section 490.1440. Amounts due to  
9 depositors who are unknown, or who are under a disability and  
10 there is no person legally competent to receive the amount, or  
11 who cannot be found after the exercise of reasonable diligence,  
12 shall be transmitted to the treasurer of state in the manner  
13 required by section 524.1305, subsection 6. Such property  
14 shall be treated as abandoned, retained by the treasurer of  
15 state, and is subject to claim, in the manner provided for in  
16 sections 556.14 to 556.21. ~~The attorney general, or assistants~~  
17 ~~appointed by the court, shall represent the superintendent in~~  
18 ~~all proceedings connected with the receivership.~~

19 2. Under the receivership, the rights of depositors and  
20 other creditors of the insured state bank shall be determined  
21 in accordance with the laws of this state.

22 3. The federal deposit insurance corporation as receiver  
23 shall possess all the powers, rights, and privileges provided  
24 under section 524.1311, except insofar as that section may be  
25 in conflict with the laws of the United States.

26 4. If the federal deposit insurance corporation pays or  
27 makes available for payment the insured deposit liabilities  
28 of an insured state bank, the federal deposit insurance  
29 corporation shall be subrogated by operation of law to all  
30 rights against such insured state bank of the owners of  
31 such deposits in the same manner and to the same extent as  
32 subrogation of the federal deposit insurance corporation  
33 is provided for in applicable federal law in the case of a  
34 national bank.

35 Sec. 24. Section 524.1311, Code 2011, is amended to read as

1 follows:

2     **524.1311 Involuntary dissolution after commencement of**  
3 **business — receivership procedure.**

4     1. ~~In all situations in which the superintendent has~~  
5 ~~been named the receiver as provided in section 524.1310 the~~  
6 ~~superintendent shall make~~ Under the receivership, a diligent  
7 effort shall be made to collect and realize on the assets of  
8 the state bank, and to make distribution of the proceeds from  
9 time to time to those entitled thereto. The superintendent  
10 federal deposit insurance corporation may execute assignments,  
11 releases, and satisfactions to effectuate sales and transfers  
12 as receiver or after the receivership has terminated. Upon  
13 ~~the order of the court in which the receivership is pending,~~  
14 ~~the superintendent~~ The federal deposit insurance corporation  
15 may sell or compound all bad or doubtful debts, and, ~~on a like~~  
16 ~~order,~~ may sell all the real and personal property of such  
17 state bank, ~~on such terms as the court shall direct.~~

18     2. ~~All expenses of the receivership and dissolution shall~~  
19 ~~be fixed by the superintendent, subject to the approval of~~  
20 ~~the district court, and shall be paid out of the assets of~~  
21 ~~the state bank.~~ After the involuntary dissolution of a state  
22 bank, the superintendent shall file notice of the dissolution  
23 with the secretary of state and the county recorder of the  
24 county in which the state bank is located. No fee shall be  
25 charged by the secretary of state or the county recorder for  
26 the filing or recording. The corporate existence of the state  
27 bank shall cease upon filing of the notice of dissolution with  
28 the secretary of state.

29     3. ~~At the termination of the receivership, the~~  
30 ~~superintendent shall file a final report containing the details~~  
31 ~~of the superintendent's actions therein, together with such~~  
32 ~~additional facts as the court may require.~~

33     4. ~~Upon the submission and approval of the final report, the~~  
34 ~~court shall enter a decree dissolving the state bank whereupon~~  
35 ~~the corporate existence of the state bank shall cease. It~~

~~1 shall be the duty of the clerk of such court to cause certified  
2 copies of the decree to be filed with and recorded by the  
3 secretary of state and the county recorder of the county in  
4 which is located the state bank. No fee shall be charged by the  
5 secretary of state or said county recorder for the filing or  
6 recording thereof.~~

7 Sec. 25. Section 535B.10, subsection 6, Code 2011, is  
8 amended by adding the following new paragraph:

9 NEW PARAGRAPH. *h.* The administrator may furnish  
10 information relating to supervision of closing agent licensees  
11 whose activities relate to the issuance of title guaranty  
12 certificates issued by the title guaranty division of the  
13 Iowa finance authority to the title guaranty division. The  
14 title guaranty division may use this information to satisfy  
15 its reinsurance requirements and may provide the information  
16 to its reinsurer to the extent necessary to satisfy reinsurer  
17 requirements provided the reinsurer agrees to maintain the  
18 confidentiality of the information. The title guaranty  
19 division shall maintain the confidentiality of the information  
20 provided pursuant to this paragraph in all other respects.

21 Sec. 26. Section 602.8102, subsection 72, Code 2011, is  
22 amended by striking the subsection.

23 Sec. 27. REPEAL. Section 524.1313, Code 2011, is repealed.

24 Sec. 28. EFFECTIVE UPON ENACTMENT. The following  
25 provisions of this division of this Act, being deemed of  
26 immediate importance, take effect upon enactment:

27 1. The section of this Act amending section 524.226,  
28 unnumbered paragraph 4.

29 2. The section of this Act amending section 524.1305,  
30 subsection 9.

31 3. The section of this Act amending section 524.1310.

32 4. The section of this Act amending section 524.1311.

33 5. The section of this Act repealing section 524.1313.

34 6. The section of this Act striking section 602.8102,  
35 subsection 72.

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DIVISION III

SAVINGS AND LOAN ASSOCIATIONS

Sec. 29. Section 7C.9, Code 2011, is amended to read as follows:

**7C.9 Nonbusiness days.**

If the expiration date of either the one-hundred-twenty-day period or the thirty-day extension period described in subsection 1 or 2 of section 7C.7 is a Saturday, Sunday, or any day on which the offices of the state, or banking institutions, ~~or savings and loan associations~~ in the state are authorized or required to close, the expiration date is extended to the first day thereafter which is not a Saturday, Sunday, or other previously described day.

Sec. 30. Section 12.61, subsection 1, paragraph a, Code 2011, is amended to read as follows:

a. "*Financial institution*" means a state bank as defined in section 524.103, subsection 39, a federally chartered state bank having its principal office within this state, a federally chartered credit union having its principal office within this state, a federally chartered savings and loan association having its principal office within the state, a credit union organized under chapter 533, ~~an association incorporated or authorized to do business under chapter 534,~~ or a trust company organized or incorporated under the laws of this state.

Sec. 31. Section 12.71, subsection 5, Code 2011, is amended to read as follows:

5. The bonds are securities in which public officers and bodies of this state; political subdivisions of this state; insurance companies and associations and other persons carrying on an insurance business; banks, trust companies, savings associations, ~~savings and loan associations,~~ and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or

1 belonging to them.

2 Sec. 32. Section 12.81, subsection 5, Code 2011, is amended  
3 to read as follows:

4 5. The bonds are securities in which public officers and  
5 bodies of this state; political subdivisions of this state;  
6 insurance companies and associations and other persons carrying  
7 on an insurance business; banks, trust companies, savings  
8 associations, ~~savings and loan associations~~, and investment  
9 companies; administrators, guardians, executors, trustees,  
10 and other fiduciaries; and other persons authorized to invest  
11 in bonds or other obligations of the state, may properly and  
12 legally invest funds, including capital, in their control or  
13 belonging to them.

14 Sec. 33. Section 12.87, subsection 5, Code Supplement 2011,  
15 is amended to read as follows:

16 5. The bonds are securities in which public officers and  
17 bodies of this state; political subdivisions of this state;  
18 insurance companies and associations and other persons carrying  
19 on an insurance business; banks, trust companies, savings  
20 associations, ~~savings and loan associations~~, and investment  
21 companies; administrators, guardians, executors, trustees,  
22 and other fiduciaries; and other persons authorized to invest  
23 in bonds or other obligations of the state, may properly and  
24 legally invest funds, including capital, in their control or  
25 belonging to them.

26 Sec. 34. Section 12.91, subsection 6, Code 2011, is amended  
27 to read as follows:

28 6. The bonds are securities in which public officers and  
29 bodies of this state; political subdivisions of this state;  
30 insurance companies and associations and other persons carrying  
31 on an insurance business; banks, trust companies, savings  
32 associations, ~~savings and loan associations~~, and investment  
33 companies; administrators, guardians, executors, trustees,  
34 and other fiduciaries; and other persons authorized to invest  
35 in bonds or other obligations of the state may properly and



1 legally invest funds, including capital, in their control or  
2 belonging to them.

3 Sec. 35. Section 12A.4, subsection 4, Code 2011, is amended  
4 to read as follows:

5 4. Bonds issued under this chapter are investment  
6 securities and negotiable instruments within the meaning of  
7 and for purposes of the uniform commercial code, chapter  
8 554. Bonds are securities in which public officers and  
9 bodies of this state; political subdivisions of this state;  
10 insurance companies and associations and other persons carrying  
11 on an insurance business; banks, trust companies, savings  
12 associations, ~~savings and loan associations~~, and investment  
13 companies; administrators, guardians, executors, trustees, and  
14 other fiduciaries; and other persons authorized to invest in  
15 bonds of the state, may properly and legally invest funds,  
16 including capital, in their control or belonging to them.

17 Sec. 36. Section 12C.1, subsection 2, Code Supplement 2011,  
18 is amended to read as follows:

19 2. As used in this chapter unless the context otherwise  
20 requires:

21 a. "*Bank*" means a corporation or limited liability company  
22 engaged in the business of banking and organized under the laws  
23 of this state, another state, or the United States. "*Bank*" also  
24 means a savings and loan, savings association, or savings bank  
25 organized under the laws of ~~this state~~, another state, or the  
26 United States.

27 b. "*Credit union*" means a cooperative, nonprofit association  
28 incorporated under chapter 533 or the federal Credit Union Act,  
29 12 U.S.C. § 1751 et seq., and that is insured by the national  
30 credit union administration and includes an office of a credit  
31 union.

32 c. "*Depository*" means a bank, ~~a savings and loan~~, or a  
33 credit union in which public funds are deposited under this  
34 chapter.

35 d. "*Financial institution*" means a bank or a credit union.

1     *e. "Public funds" and "public deposits" mean any of the*  
2 following:

3     (1) The moneys of the state or a political subdivision  
4 or instrumentality of the state including a county,  
5 school corporation, special district, drainage district,  
6 unincorporated town or township, municipality, or municipal  
7 corporation or any agency, board, or commission of the state  
8 or a political subdivision. Moneys of the state include  
9 moneys which are transmitted to a depository for purposes of  
10 completing an electronic financial transaction pursuant to  
11 section 159.35.

12     (2) The moneys of any court or public body noted in  
13 subsection 1.

14     (3) The moneys of a legal or administrative entity created  
15 pursuant to chapter 28E.

16     (4) The moneys of an electric power agency as defined in  
17 section 28F.2 or 390.9.

18     (5) Federal and state grant moneys of a quasi-public  
19 state entity that are placed in a depository pursuant to this  
20 chapter.

21     (6) Moneys placed in a depository for the purpose of  
22 completing an electronic financial transaction pursuant to  
23 section 8A.222 or 331.427.

24     *f. "Public officer" means the person authorized by and*  
25 acting for a public body to deposit public funds of the public  
26 body.

27     ~~*g. "Savings and loan" means a corporation authorized to*~~  
28 ~~operate under chapter 534 or the federal Home Owner's Loan Act~~  
29 ~~of 1933, 12 U.S.C. § 1461 et seq., and includes a savings and~~  
30 ~~loan association, a savings bank, or any branch of a savings~~  
31 ~~and loan association or savings bank.~~

32     ~~*h.*~~ *g. "Superintendent" means the superintendent of*  
33 banking of this state when the depository is a bank, and  
34 the superintendent of credit unions of this state when the  
35 depository is a credit union.

1     ~~i.~~ h.   *"Uninsured public funds"* means any amount of  
2 public funds of a public funds depositor on deposit in an  
3 account at a financial institution that exceeds the amount of  
4 public funds in that account that are insured by the federal  
5 deposit insurance corporation or the national credit union  
6 administration.

7     Sec. 37. Section 12C.13, Code 2011, is amended to read as  
8 follows:

9     **12C.13 Deposit not membership.**

10    Notwithstanding chapter ~~534~~ 524, the deposit of public  
11 funds in a credit union as defined in section 533.102 or ~~an~~  
12 ~~association defined in section 534.102~~ a mutual corporation  
13 as defined in section 524.103 does not constitute being  
14 a shareholder, stockholder, or owner of a corporation in  
15 violation of Article VIII of the Constitution of the State of  
16 Iowa or any other provision of law.

17    Sec. 38. Section 12C.20, subsections 1 and 4, Code 2011, are  
18 amended to read as follows:

19    1. On or before the tenth day of February, May, August,  
20 and November of each year, each ~~savings and loan and each~~  
21 out-of-state bank that has one or more branches in the state  
22 shall calculate and certify to the superintendent of banking in  
23 the form prescribed by the superintendent the amount of public  
24 funds on deposit ~~at the savings and loan and~~ at each such  
25 branch of the out-of-state bank as of the end of the previous  
26 calendar quarter.

27    4. On or before the twentieth day of February, May, August,  
28 and November of each year, the superintendent shall notify the  
29 treasurer of state of the amount of collateral required to be  
30 pledged as of the end of the previous calendar quarter based  
31 upon the certification provided to the superintendent under  
32 subsection 1 or 2 and a review by the superintendent of the  
33 quarterly call report filed by each bank that is not ~~a savings~~  
34 ~~and loan or~~ an out-of-state bank.

35    Sec. 39. Section 12E.11, subsection 8, Code 2011, is amended

1 to read as follows:

2 8. The bonds issued under this chapter are securities in  
3 which insurance companies and associations and other persons  
4 engaged in the business of insurance; banks, trust companies,  
5 savings associations, ~~savings and loan associations~~, and  
6 investment companies; administrators, guardians, executors,  
7 trustees, and other fiduciaries; and other persons authorized  
8 to invest in bonds or other obligations of the state may  
9 properly and legally invest funds, including capital, in their  
10 control or belonging to them.

11 Sec. 40. Section 16.1, subsection 1, paragraph y, Code  
12 Supplement 2011, is amended to read as follows:

13 y. "*Mortgage lender*" means any bank, trust company, mortgage  
14 company, national banking association, federal savings and loan  
15 association, life insurance company, any governmental agency,  
16 or any other financial institution authorized to make mortgage  
17 loans in this state and includes a financial institution as  
18 defined in section 496B.2, subsection 4, which lends moneys for  
19 industrial or business purposes.

20 Sec. 41. Section 16.30, Code 2011, is amended to read as  
21 follows:

22 **16.30 Bonds and notes as legal investments.**

23 Bonds and notes of the authority are securities in which  
24 public officers, state departments and agencies, political  
25 subdivisions, insurance companies, and other persons carrying  
26 on an insurance business, banks, trust companies, savings and  
27 ~~loan~~ associations, investment companies and other persons  
28 carrying on a banking business, administrators, executors,  
29 guardians, conservators, trustees and other fiduciaries,  
30 and other persons authorized to invest in bonds or other  
31 obligations of this state, may properly and legally invest  
32 funds including capital in their control or belonging to them.  
33 The bonds and notes are also securities which may be deposited  
34 with and may be received by public officers, state departments  
35 and agencies, and political subdivisions, for any purpose for

1 which the deposit of bonds or other obligations of this state  
2 is authorized.

3 Sec. 42. Section 16.177, subsection 5, Code 2011, is amended  
4 to read as follows:

5 5. The bonds are securities in which public officers and  
6 bodies of this state, political subdivisions of this state,  
7 insurance companies and associations and other persons carrying  
8 on an insurance business, banks, trust companies, savings  
9 associations, ~~savings and loan associations~~, and investment  
10 companies, administrators, guardians, executors, trustees,  
11 and other fiduciaries, and other persons authorized to invest  
12 in bonds or other obligations of the state, may properly and  
13 legally invest funds, including capital, in their control or  
14 belonging to them.

15 Sec. 43. Section 28J.18, Code 2011, is amended to read as  
16 follows:

17 **28J.18 Revenue bonds are lawful investments.**

18 Port authority revenue bonds issued pursuant to this  
19 chapter are lawful investments of banks, credit unions, trust  
20 companies, savings ~~and loan~~ associations, deposit guaranty  
21 associations, insurance companies, trustees, fiduciaries,  
22 trustees or other officers having charge of the bond retirement  
23 funds or sinking funds of port authorities and governmental  
24 agencies, and taxing districts of this state, the pension  
25 and annuity retirement system, the Iowa public employees'  
26 retirement system, the police and fire retirement systems under  
27 chapters 410 and 411, a revolving fund of a governmental agency  
28 of this state, and are acceptable as security for the deposit  
29 of public funds under chapter 12C.

30 Sec. 44. Section 68A.503, subsections 1 through 4, Code  
31 2011, are amended to read as follows:

32 1. Except as provided in subsections 3, 4, 5, and 6, an  
33 insurance company, savings ~~and loan~~ association, bank, credit  
34 union, or corporation shall not make a monetary or in-kind  
35 contribution to a candidate or committee except for a ballot

1 issue committee.

2     2. Except as provided in subsection 3, a candidate or  
3 committee, except for a ballot issue committee, shall not  
4 receive a monetary or in-kind contribution from an insurance  
5 company, savings ~~and loan~~ association, bank, credit union, or  
6 corporation.

7     3. An insurance company, savings ~~and loan~~ association,  
8 bank, credit union, or corporation may use money, property,  
9 labor, or any other thing of value of the entity for the  
10 purposes of soliciting its stockholders, administrative  
11 officers, professional employees, and members for contributions  
12 to a political committee sponsored by that entity and for  
13 financing the administration of a political committee sponsored  
14 by that entity. The entity's employees to whom the foregoing  
15 authority does not extend may voluntarily contribute to  
16 such a political committee but shall not be solicited for  
17 contributions. A candidate or committee may solicit, request,  
18 and receive money, property, labor, and any other thing of  
19 value from a political committee sponsored by an insurance  
20 company, savings ~~and loan~~ association, bank, credit union, or  
21 corporation as permitted by this subsection.

22     4. The prohibitions in subsections 1 and 2 shall not apply  
23 to an insurance company, savings ~~and loan~~ association, bank,  
24 credit union, or corporation engaged in any of the following  
25 activities:

26     a. Using its funds to encourage registration of voters and  
27 participation in the political process or to publicize public  
28 issues.

29     b. Using its funds to expressly advocate the passage or  
30 defeat of ballot issues.

31     c. Using its funds for independent expenditures as provided  
32 in section 68A.404.

33     d. Using its funds to place campaign signs as permitted  
34 under section 68A.406.

35     Sec. 45. Section 175.2, subsection 1, paragraphs 1 and o,

1 Code 2011, are amended to read as follows:

2     1. "*Lending institution*" means a bank, trust company,  
3 mortgage company, national banking association, ~~savings~~  
4 ~~and loan association~~, life insurance company, any state or  
5 federal governmental agency or instrumentality, including  
6 without limitation the federal land bank or any of its local  
7 associations, or any other financial institution or entity  
8 authorized to make farm operating loans in this state.

9     o. "*Mortgage lender*" means a bank, trust company,  
10 mortgage company, national banking association, ~~savings~~  
11 ~~and loan association~~, life insurance company, any state or  
12 federal governmental agency or instrumentality, including  
13 without limitation the federal land bank or any of its local  
14 associations, or any other financial institution or entity  
15 authorized to make mortgage loans or secured loans in this  
16 state.

17     Sec. 46. Section 175.21, Code 2011, is amended to read as  
18 follows:

19     **175.21 Bonds and notes as legal investments.**

20     Bonds and notes are securities in which public officers,  
21 state departments and agencies, political subdivisions,  
22 insurance companies and other persons carrying on an  
23 insurance business, banks, trust companies, ~~savings and loan~~  
24 ~~associations~~, investment companies and other persons carrying  
25 on a banking business, administrators, executors, guardians,  
26 conservators, trustees and other fiduciaries and other persons  
27 authorized to invest in bonds or other obligations of this  
28 state may properly and legally invest funds including capital  
29 in their control or belonging to them. The bonds and notes  
30 are also securities which may be deposited with and may be  
31 received by public officers, state departments and agencies and  
32 political subdivisions for any purpose for which the deposit of  
33 bonds or other obligations of this state is authorized.

34     Sec. 47. Section 179.1, subsection 8, Code 2011, is amended  
35 to read as follows:

1     8. "*Qualified financial institution*" means a bank, or credit  
2 union, ~~or savings and loan~~ as defined in section 12C.1.

3     Sec. 48. Section 181.1, subsection 7, Code 2011, is amended  
4 to read as follows:

5     7. "*Qualified financial institution*" means a bank, or credit  
6 union, ~~or savings and loan~~ as defined in section 12C.1.

7     Sec. 49. Section 183A.1, subsection 9, Code 2011, is amended  
8 to read as follows:

9     9. "*Qualified financial institution*" means a bank, or credit  
10 union, ~~or savings and loan~~ as defined in section 12C.1.

11     Sec. 50. Section 184.1, subsection 10, Code 2011, is amended  
12 to read as follows:

13     10. "*Qualified financial institution*" means a bank, or  
14 credit union, ~~or savings and loan~~ as defined in section 12C.1.

15     Sec. 51. Section 184A.1, subsection 8, Code 2011, is amended  
16 to read as follows:

17     8. "*Qualified financial institution*" means a bank, or credit  
18 union, ~~or savings and loan~~ as defined in section 12C.1.

19     Sec. 52. Section 185.1, subsection 13, Code 2011, is amended  
20 to read as follows:

21     13. "*Qualified financial institution*" means a bank, or  
22 credit union, ~~or savings and loan~~ as defined in section 12C.1.

23     Sec. 53. Section 185C.1, subsection 13, Code 2011, is  
24 amended to read as follows:

25     13. "*Qualified financial institution*" means a bank, or  
26 credit union, ~~or savings and loan~~ as defined in section 12C.1.

27     Sec. 54. Section 202C.1, subsection 4, Code 2011, is amended  
28 to read as follows:

29     4. "*Financial institution*" means a bank or savings ~~and~~  
30 ~~loan~~ association authorized by ~~this state or by~~ the laws of  
31 the United States, which is a member of the federal deposit  
32 insurance corporation, the federal savings and loan insurance  
33 corporation, or the national bank for cooperatives established  
34 in the Agricultural Credit Act, Pub. L. No. 100-233.

35     Sec. 55. Section 203.1, subsection 7, paragraph a, Code



1 2011, is amended to read as follows:

2     a. A bank or savings ~~and loan~~ association authorized by  
3 the laws of ~~this state~~, any other state, or the United States,  
4 which is a member of the federal deposit insurance corporation.

5     Sec. 56. Section 206.2, subsection 12, Code 2011, is amended  
6 to read as follows:

7     12. "*Financial institution*" means a bank or savings ~~and~~  
8 ~~loan~~ association authorized by ~~this state or by~~ the laws of  
9 the United States, which is a member of the federal deposit  
10 insurance corporation or the federal savings and loan insurance  
11 corporation.

12     Sec. 57. Section 216.10, subsection 1, paragraph b, Code  
13 2011, is amended to read as follows:

14     b. Person authorized or licensed to do business in this  
15 state pursuant to chapter 524, 533, ~~534~~, 536, or 536A to refuse  
16 to loan or extend credit or to impose terms or conditions  
17 more onerous than those regularly extended to persons of  
18 similar economic backgrounds because of age, color, creed,  
19 national origin, race, religion, marital status, sex, sexual  
20 orientation, gender identity, physical disability, or familial  
21 status.

22     Sec. 58. Section 234.37, Code 2011, is amended to read as  
23 follows:

24     **234.37 Department may establish accounts for certain**  
25 **children.**

26     The department of human services is authorized to establish  
27 an account in the name of any child committed to the director  
28 of human services or the director's designee, or whose legal  
29 custody has been transferred to the department, or who is  
30 voluntarily placed in foster care pursuant to section 234.35.  
31 Any money which the child receives from the United States  
32 government or any private source shall be placed in the child's  
33 account, unless a guardian of the child's property has been  
34 appointed and demands the money, in which case it shall be  
35 paid to the guardian. The account shall be maintained by the

1 department as trustee for the child in an interest-bearing  
2 account at a reputable bank or savings ~~and loan~~ association,  
3 except that if the child is residing at an institution  
4 administered by the department a limited amount of the child's  
5 funds may be maintained in a separate account, which need not  
6 be interest bearing, in the child's name at the institution.  
7 Any money held in an account in the child's name or in trust  
8 for the child under this section may be used, at the discretion  
9 of the department and subject to restrictions lawfully imposed  
10 by the United States government or other source from which  
11 the child receives the funds, for the purchase of personal  
12 incidentals, desires and comforts of the child. All of the  
13 money held for a child by the department under this section  
14 and not used in the child's behalf as authorized by law shall  
15 be promptly paid to the child or the child's parent or legal  
16 guardian upon termination of the commitment of the child to  
17 the director or the director's designee, or upon transfer or  
18 cessation of legal custody of the child by the department.

19 Sec. 59. Section 235B.19, subsection 3, paragraph d,  
20 subparagraph (2), Code Supplement 2011, is amended to read as  
21 follows:

22 (2) Withdrawing funds from any bank, savings ~~and loan~~  
23 association, credit union, or other financial institution, or  
24 from an account containing securities in which the dependent  
25 adult has an interest.

26 Sec. 60. Section 235B.19, subsection 8, paragraph f, Code  
27 Supplement 2011, is amended to read as follows:

28 f. Withdrawing funds from any bank, savings ~~and loan~~  
29 association, credit union, or other financial institution,  
30 or from a stock account in which the dependent adult has an  
31 interest.

32 Sec. 61. Section 252I.1, subsection 1, Code 2011, is amended  
33 to read as follows:

34 1. "Account" means "account" as defined in section 524.103,  
35 ~~"share account or shares" as defined in section 534.102,~~

1 the savings or deposits of a member received or being held  
2 by a credit union, or certificates of deposit. "Account"  
3 also includes deposits held by an agent, a broker-dealer,  
4 or an issuer as defined in section 502.102 and money-market  
5 mutual fund accounts and "account" as defined in 42 U.S.C.  
6 § 666(a)(17). However, "account" does not include amounts held  
7 by a financial institution as collateral for loans extended by  
8 the financial institution.

9 Sec. 62. Section 252I.1, subsection 7, Code 2011, is amended  
10 by striking the subsection.

11 Sec. 63. Section 257C.8, subsection 7, Code 2011, is amended  
12 to read as follows:

13 7. The bonds of the authority are securities in which public  
14 officers and bodies of this state; political subdivisions of  
15 this state; insurance companies and associations and other  
16 persons carrying on an insurance business; banks, trust  
17 companies, savings associations, ~~savings and loan associations,~~  
18 and investment companies; administrators, guardians, executors,  
19 trustees, and other fiduciaries; and other persons authorized  
20 to invest in bonds or other obligations of the state, may  
21 properly and legally invest funds, including capital, in their  
22 control or belonging to them.

23 Sec. 64. Section 260C.64, Code 2011, is amended to read as  
24 follows:

25 **260C.64 Who may invest.**

26 All banks, trust companies, building and loan associations,  
27 savings ~~and loan~~ associations, investment companies, and other  
28 persons carrying on an investment business, all insurance  
29 companies, insurance associations, and other persons carrying  
30 on an insurance business, and all executors, administrators,  
31 guardians, trustees, and other fiduciaries may legally invest  
32 any sinking funds, moneys or other funds belonging to them or  
33 within their control in any bonds or notes issued pursuant to  
34 this division. However, this section shall not be construed as  
35 relieving any persons from any duty of exercising reasonable

1 care in selecting securities for purchase or investment.

2 Sec. 65. Section 261.71, subsection 2, Code 2011, is amended  
3 to read as follows:

4 2. The contract for the loan repayment shall stipulate  
5 the time period the chiropractor shall practice in an  
6 underserved area in this state. In addition, the contract  
7 shall stipulate that the chiropractor repay any funds paid on  
8 the chiropractor's loan by the commission if the chiropractor  
9 fails to practice in an underserved area in this state for the  
10 required period of time. Forgivable loans made to eligible  
11 students shall not become due, for repayment purposes, until  
12 one year after the student has graduated. A loan that has  
13 not been forgiven may be sold to a bank, savings ~~and loan~~  
14 association, credit union, or nonprofit agency eligible to  
15 participate in the guaranteed student loan program under the  
16 federal Higher Education Act of 1965, 20 U.S.C. § 1071 et seq.,  
17 by the commission when the loan becomes due for repayment.

18 Sec. 66. Section 261A.19, Code 2011, is amended to read as  
19 follows:

20 **261A.19 Investment of funds of authority.**

21 Except as otherwise provided in section 261A.18, subsection  
22 3, the authority may invest funds in direct obligations  
23 of the United States of America; obligations for which the  
24 timely payment of principal and interest is fully guaranteed  
25 by the United States of America; obligations of the federal  
26 intermediate credit banks, federal banks for cooperatives,  
27 federal land banks, federal home loan banks, federal national  
28 mortgage association, government national mortgage association  
29 and the student loan marketing association; certificates of  
30 deposit or time deposits constituting direct obligations of a  
31 bank as defined by chapter 524; and in withdrawable capital  
32 accounts or deposits of ~~state or~~ federal chartered savings ~~and~~  
33 ~~loan~~ associations which are insured by the federal ~~savings~~  
34 ~~and loan~~ deposit insurance corporation. However, investments  
35 may be made only in certificates of deposit or time deposits

1 in banks which are insured by the federal deposit insurance  
2 corporation if then in existence. Securities authorized in  
3 this section may be purchased at the offering or market price  
4 at the time of the purchase. The securities purchased shall  
5 mature or be redeemable on dates prior to the time when, in the  
6 judgment of the authority, the funds invested will be required  
7 for expenditure. The judgment of the authority as to the time  
8 when funds will be required for expenditure or be redeemable is  
9 final.

10 Sec. 67. Section 261A.20, Code 2011, is amended to read as  
11 follows:

12 **261A.20 Obligations as legal investments.**

13 Banks, bankers, trust companies, ~~savings banks and~~  
14 ~~institutions, building and loan associations, federally~~  
15 chartered savings and loan associations, investment companies,  
16 and other persons carrying on a banking or investment business,  
17 insurance companies and insurance associations, and executors,  
18 administrators, guardians, trustees, and other fiduciaries  
19 may legally invest sinking funds, moneys, or other funds  
20 belonging to them or within their control in obligations of the  
21 authority.

22 Sec. 68. Section 262.63, Code 2011, is amended to read as  
23 follows:

24 **262.63 Who may invest.**

25 All banks, trust companies, ~~building and loan associations,~~  
26 ~~savings and loan associations,~~ investment companies, and other  
27 persons carrying on an investment business, all insurance  
28 companies, insurance associations, and other persons carrying  
29 on an insurance business, and all executors, administrators,  
30 guardians, trustees, and other fiduciaries may legally invest  
31 any sinking funds, moneys, or other funds belonging to them or  
32 within their control in any bonds or notes issued pursuant to  
33 this division; provided, however, that nothing contained in  
34 this section may be construed as relieving any persons from any  
35 duty of exercising reasonable care in selecting securities for

1 purchase or investment.

2 Sec. 69. Section 262A.11, Code 2011, is amended to read as  
3 follows:

4 **262A.11 Bonds as security for investments.**

5 All banks, trust companies, bankers, ~~savings banks and~~  
6 ~~institutions, building and loan associations,~~ savings and  
7 ~~loan~~ associations, investment companies, and other persons  
8 carrying on a banking or investment business, all insurance  
9 companies, insurance associations, and other persons carrying  
10 on an insurance business, and all executors, administrators,  
11 guardians, trustees, and other fiduciaries may legally invest  
12 any sinking funds, moneys, or other funds belonging to them  
13 or within their control in any bonds issued pursuant to this  
14 chapter; provided, however, that nothing contained in this  
15 section may be construed as relieving any persons from any  
16 duty of exercising reasonable care in selecting securities for  
17 purchase or investment.

18 Sec. 70. Section 263A.9, Code 2011, is amended to read as  
19 follows:

20 **263A.9 Investment in bonds or notes by financial**  
21 **institutions.**

22 All banks, trust companies, bankers, ~~savings banks and~~  
23 ~~institutions, building and loan associations,~~ savings and  
24 ~~loan~~ associations, investment companies, and other persons  
25 carrying on a banking or investment business, all insurance  
26 companies, insurance associations, and other persons carrying  
27 on an insurance business, and all executors, administrators,  
28 guardians, trustees, and other fiduciaries may legally invest  
29 any sinking funds, moneys, or other funds belonging to them  
30 or within their control in any bonds or notes issued pursuant  
31 to this chapter; provided, however, that nothing contained in  
32 this section may be construed as relieving any persons from any  
33 duty of exercising reasonable care in selecting securities for  
34 purchase or investment.

35 Sec. 71. Section 322.7A, subsection 6, paragraph e, Code

1 2011, is amended to read as follows:

2 e. Banks, credit unions, and savings ~~and loan~~ associations.

3 Sec. 72. Section 331.301, subsection 10, paragraph g, Code  
4 Supplement 2011, is amended to read as follows:

5 g. A lease or lease-purchase contract to which a county is  
6 a party or in which a county has a participatory interest is  
7 an obligation of a political subdivision of this state for the  
8 purposes of chapters 502 and 636, and is a lawful investment  
9 for banks, trust companies, ~~building and loan associations,~~  
10 ~~savings and loan~~ associations, investment companies, insurance  
11 companies, insurance associations, executors, guardians,  
12 trustees, and any other fiduciaries responsible for the  
13 investment of funds.

14 Sec. 73. Section 331.402, subsection 3, paragraph f, Code  
15 Supplement 2011, is amended to read as follows:

16 f. A loan agreement to which a county is a party or in which  
17 a county has a participatory interest is an obligation of a  
18 political subdivision of this state for the purpose of chapters  
19 502 and 636, and is a lawful investment for banks, trust  
20 companies, ~~savings and loan~~ associations, investment companies,  
21 insurance companies, insurance associations, executors,  
22 guardians, trustees, and any other fiduciaries responsible for  
23 the investment of funds.

24 Sec. 74. Section 331.602, subsection 27, Code 2011, is  
25 amended by striking the subsection.

26 Sec. 75. Section 364.4, subsection 4, paragraph g, Code  
27 Supplement 2011, is amended to read as follows:

28 g. A lease or lease-purchase contract to which a city is  
29 a party or in which a city has a participatory interest is an  
30 obligation of a political subdivision of this state for the  
31 purposes of chapters 502 and 636, and is a lawful investment  
32 for banks, trust companies, ~~building and loan associations,~~  
33 ~~savings and loan~~ associations, investment companies, insurance  
34 companies, insurance associations, executors, guardians,  
35 trustees, and any other fiduciaries responsible for the

1 investment of funds.

2     Sec. 76. Section 384.24A, subsection 6, Code 2011, is  
3 amended to read as follows:

4     6. A loan agreement to which a city is a party or in  
5 which the city has a participatory interest is an obligation  
6 of a political subdivision of this state for the purposes of  
7 chapters 502 and 636, and is a lawful investment for banks,  
8 trust companies, ~~building and loan associations,~~ savings and  
9 ~~loan associations,~~ investment companies, insurance companies,  
10 insurance associations, executors, guardians, trustees, and any  
11 other fiduciaries responsible for the investment of funds.

12     Sec. 77. Section 390.20, subsection 1, Code 2011, is amended  
13 to read as follows:

14     1. A bank, trust company, savings association, ~~building and~~  
15 ~~loan association, savings and loan association,~~ or investment  
16 company.

17     Sec. 78. Section 403.10, Code 2011, is amended to read as  
18 follows:

19     **403.10 Bonds as legal investment.**

20     All banks, trust companies, ~~building and loan associations,~~  
21 ~~savings and loan associations,~~ investment companies, and other  
22 persons carrying on an investment business; all insurance  
23 companies, insurance associations, and other persons carrying  
24 on an insurance business; and all executors, administrators,  
25 curators, trustees, and other fiduciaries, may legally invest  
26 any sinking funds, moneys, or other funds belonging to them or  
27 within their control in any bonds or other obligations issued  
28 by a municipality pursuant to this chapter, or those issued  
29 by any urban renewal agency vested with urban renewal project  
30 powers under section 403.14. Such bonds and other obligations  
31 shall be authorized security for all public deposits. It is  
32 the purpose of this section to authorize any persons, political  
33 subdivisions and officers, public or private, to use any funds  
34 owned or controlled by them for the purchase of any such bonds  
35 or other obligations. Nothing contained in this section with



1 regard to legal investments shall be construed as relieving any  
2 person of any duty of exercising reasonable care in selecting  
3 securities.

4 Sec. 79. Section 421.17A, subsection 1, paragraph a, Code  
5 2011, is amended to read as follows:

6 a. *"Account"* means "account" as defined in section 524.103,  
7 ~~"share account or shares" as defined in section 534.102,~~ or  
8 the savings or deposits of a member received or being held by  
9 a credit union or a savings association, or certificates of  
10 deposit. *"Account"* also includes deposits held by an agent,  
11 a broker-dealer, or an issuer as defined in section 502.102.  
12 However, *"account"* does not include amounts held by a financial  
13 institution as collateral for loans extended by the financial  
14 institution.

15 Sec. 80. Section 421.17A, subsection 1, paragraph e, Code  
16 2011, is amended to read as follows:

17 e. *"Financial institution"* includes a bank, credit union,  
18 or savings ~~and loan~~ association. *"Financial institution"* also  
19 includes an institution which holds deposits for an agent,  
20 broker-dealer, or an issuer as defined in section 502.102.

21 Sec. 81. Section 421.17A, subsection 1, paragraph g, Code  
22 2011, is amended by striking the paragraph.

23 Sec. 82. Section 422.34, subsection 1, Code 2011, is amended  
24 to read as follows:

25 1. All state, national, private, cooperative, and savings  
26 banks, credit unions, title insurance and trust companies,  
27 federally chartered savings and loan associations, production  
28 credit associations, insurance companies or insurance  
29 associations, reciprocal or inter-insurance exchanges, and  
30 fraternal beneficiary associations.

31 Sec. 83. Section 422.61, subsection 1, Code 2011, is amended  
32 to read as follows:

33 1. *"Financial institution"* means a state bank as defined in  
34 section 524.103, subsection 39, a state bank chartered under  
35 the laws of any other state, a national banking association,

1 a trust company, a federally chartered savings and loan  
2 association, an out-of-state state chartered savings bank, a  
3 financial institution chartered by the federal home loan bank  
4 board, a non-Iowa chartered savings and loan association, ~~an~~  
5 ~~association incorporated or authorized to do business under~~  
6 ~~chapter 534,~~ or a production credit association.

7 Sec. 84. Section 423.2, subsection 6, paragraph b, Code  
8 Supplement 2011, is amended to read as follows:

9 b. For the purposes of this subsection, "*financial*  
10 *institutions*" means all national banks, federally chartered  
11 savings and loan associations, federally chartered savings  
12 banks, federally chartered credit unions, banks organized under  
13 chapter 524, ~~savings and loan associations and savings banks~~  
14 ~~organized under chapter 534,~~ credit unions organized under  
15 chapter 533, and all banks, savings banks, credit unions, and  
16 savings and loan associations chartered or otherwise created  
17 under the laws of any state and doing business in Iowa.

18 Sec. 85. Section 445.5, subsection 2, paragraph a,  
19 subparagraph (4), Code Supplement 2011, is amended to read as  
20 follows:

21 (4) Financial institution organized or chartered or holding  
22 an authorization certificate pursuant to chapter 524, or 533,  
23 ~~or 534.~~

24 Sec. 86. Section 455G.6, subsection 11, Code 2011, is  
25 amended to read as follows:

26 11. The bonds are securities in which public officers and  
27 bodies of this state; political subdivisions of this state;  
28 insurance companies and associations and other persons carrying  
29 on an insurance business; banks, trust companies, savings  
30 associations, ~~savings and loan associations,~~ and investment  
31 companies; administrators, guardians, executors, trustees,  
32 and other fiduciaries; and other persons authorized to invest  
33 in bonds or other obligations of the state, may properly and  
34 legally invest funds, including capital, in their control or  
35 belonging to them.

1     Sec. 87. Section 463C.12, subsection 5, Code 2011, is  
2 amended to read as follows:

3     5. The bonds are securities in which public officers and  
4 bodies of this state, political subdivisions of this state,  
5 insurance companies and associations and other persons carrying  
6 on an insurance business, banks, trust companies, savings  
7 associations, ~~savings and loan associations~~, and investment  
8 companies, administrators, guardians, executors, trustees,  
9 and other fiduciaries, and other persons authorized to invest  
10 in bonds or other obligations of the state, may properly and  
11 legally invest funds, including capital, in their control or  
12 belonging to them.

13     Sec. 88. Section 483A.55, Code 2011, is amended to read as  
14 follows:

15     **483A.55 Bonds as legal investments.**

16     Bonds are securities in which all public officers and bodies  
17 of the state and all municipalities and political subdivisions  
18 of this state, all insurance companies and associations  
19 and other persons carrying on an insurance business, all  
20 banks, bankers, trust companies, ~~savings banks~~, and savings  
21 associations, ~~including savings and loan associations, building~~  
22 ~~loan associations~~, investment companies, and other persons  
23 carrying on a banking business, all administrators, guardians,  
24 executors, trustees, and other fiduciaries and all other  
25 persons who are now or may be authorized to invest in bonds or  
26 other obligations of this state may properly and legally invest  
27 funds including capital in their control or belonging to them.  
28 The bonds are also securities which may be deposited with and  
29 may be received by all public officers and bodies of the state  
30 and all municipalities and legal subdivisions of this state for  
31 any purpose for which the deposit of bonds or other obligations  
32 of the state is now or may be authorized.

33     Sec. 89. Section 490.1701, subsection 2, Code 2011, is  
34 amended to read as follows:

35     2. Unless otherwise provided, this chapter does not apply to

1 an entity subject to chapter 174, 497, 498, 499, 499A, 524, or  
 2 533, ~~or 534~~ or a corporation organized on the mutual plan under  
 3 chapter 491, or a telephone company organized as a corporation  
 4 under chapter 491 qualifying pursuant to an internal revenue  
 5 service letter ruling under Internal Revenue Code § 501(c)(12)  
 6 as a nonprofit corporation entitled to distribute profits in a  
 7 manner similar to a chapter 499 corporation, unless such entity  
 8 voluntarily elects to adopt the provisions of this chapter and  
 9 complies with the procedure prescribed by subsection 3 of this  
 10 section.

11 A corporation organized under chapter 496C may voluntarily  
 12 elect to adopt the provisions of this chapter by complying with  
 13 the provisions prescribed by subsection 3.

14 Sec. 90. Section 491.10, Code 2011, is amended to read as  
 15 follows:

16 **491.10 Interpretative clause.**

17 Nothing in sections 491.5 to 491.9 shall be construed as  
 18 repealing or modifying any statute now in force in respect to  
 19 the approval of articles of incorporation relating to insurance  
 20 companies, ~~building and loan associations~~ or investment  
 21 companies.

22 Sec. 91. Section 491.50, unnumbered paragraph 2, Code 2011,  
 23 is amended to read as follows:

24 The provisions of sections 491.46 and 491.47 and this  
 25 section shall not apply to ~~building and loan associations,~~  
 26 savings ~~and loan~~ associations, deposit, loan, and investment  
 27 records of banks, and trust companies, or insurance companies  
 28 organized under the laws of the state of Iowa, and to whom the  
 29 provisions of this chapter would otherwise be applicable.

30 Sec. 92. Section 491.58, Code 2011, is amended to read as  
 31 follows:

32 **491.58 Liability of stockholders.**

33 Neither anything in this chapter contained, nor any  
 34 provisions in the articles of corporation, shall exempt the  
 35 stockholders from individual liability to the amount of the

1 unpaid installments on the stock owned by them, or transferred  
2 by them for the purpose of defrauding creditors; and execution  
3 against the company may, to that extent, be levied upon  
4 the private property of any such individual. ~~The foregoing~~  
5 ~~provisions shall not apply to building and loan associations,~~  
6 ~~and savings and loan associations.~~

7     Sec. 93. Section 492.5, Code 2011, is amended to read as  
8 follows:

9     **492.5 Par value required.**

10     No corporation organized under the laws of this state,  
11 ~~except building and loan associations,~~ shall issue any  
12 certificate of a share of capital stock, or any substitute  
13 therefor, until the corporation has received the par value  
14 thereof.

15     Sec. 94. Section 492.9, Code 2011, is amended to read as  
16 follows:

17     **492.9 Certificate of issuance of stock.**

18     It shall be the duty of every corporation, ~~except~~  
19 ~~corporations qualified under chapter 534,~~ to file a certificate  
20 under oath with the secretary of state, within thirty days  
21 after the issuance of any capital stock, stating the date of  
22 issue, the amount issued, the sum received therefor, if payment  
23 be made in money, or the property or thing taken, if such be  
24 the method of payment. If the corporation fails to file said  
25 certificate of issuance of stock within the thirty-day period  
26 herein provided, it may thereafter file the same upon first  
27 paying to the secretary of state a penalty of ten dollars when  
28 the said certificate is offered for filing. Provided further  
29 that the penalty herein provided for is first paid and provided  
30 the said report contains the specific information required  
31 by this section as to the issuance of any capital stock not  
32 previously reported, then the first annual report filed by  
33 such corporation following such failure to comply with the  
34 provisions of this section, shall be received by the secretary  
35 of state as a compliance with this section.

1     Sec. 95. Section 493.1, Code 2011, is amended to read as  
2 follows:

3     **493.1 Authorization.**

4     Any corporation, heretofore or hereafter organized for  
5 pecuniary profit under the laws of this state, except state  
6 banks, trust companies, ~~building and loan associations~~  
7 and insurance companies, may create one or more classes of  
8 stock without any nominal or par value, with such rights,  
9 preferences, privileges, voting powers, limitations,  
10 restrictions and qualifications thereon not inconsistent with  
11 law as shall be expressed in its articles of incorporation,  
12 or any amendment thereto. Stock without par value which is  
13 preferred as to dividends, or as to its distributive share  
14 of the assets of the corporation upon dissolution, may be  
15 made subject to redemption at such times and prices as may be  
16 determined in such articles of incorporation, or any amendment  
17 thereto. In the case of stock without par value which is  
18 preferred as to its distributive share of the assets of the  
19 corporation upon dissolution, the amount of such preference  
20 shall be stated in the articles of incorporation, or any  
21 amendment thereto.

22     Sec. 96. Section 496B.2, subsection 4, Code Supplement  
23 2011, is amended to read as follows:

24     4. "*Financial institution*" means any bank, trust company,  
25 savings ~~and loan~~ association, insurance company or related  
26 corporation, partnership, foundation or other institution  
27 licensed to do business in the state of Iowa and engaged  
28 primarily in lending or investing funds.

29     Sec. 97. Section 496B.9, subsection 3, paragraph b,  
30 subparagraph (2), Code 2011, is amended by striking the  
31 subparagraph.

32     Sec. 98. Section 501A.601, subsection 1, paragraph b, Code  
33 2011, is amended to read as follows:

34     b. This section does not give a cooperative the power  
35 or authority to exercise the powers of a credit union under

1 chapter 533, or a bank under chapter 524, ~~or a savings and loan~~  
2 ~~association under chapter 534.~~

3 Sec. 99. Section 515C.9, Code 2011, is amended to read as  
4 follows:

5 **515C.9 Restrictions on advertising.**

6 No bank, savings ~~and loan~~ association, insurance company, or  
7 other lending institution, any of whose authorized real estate  
8 securities are insured by mortgage guaranty insurance companies  
9 may state in any brochure, pamphlet, report, or any form of  
10 advertising that the real estate loans of the bank, savings  
11 ~~and loan~~ association, insurance company, or other lending  
12 institution are "insured loans" unless the brochure, pamphlet,  
13 report, or advertising also clearly states that the loans  
14 are insured by private insurers and the names of the private  
15 insurers are given and shall not make any such statement at all  
16 unless such insurance is by an insurer authorized to write this  
17 coverage in this state.

18 Sec. 100. Section 516E.10, subsection 1, paragraph h, Code  
19 2011, is amended to read as follows:

20 *h.* A bank, savings ~~and loan~~ association, credit union,  
21 insurance company, or other lending institution shall not  
22 require the purchase of a service contract as a condition of  
23 a loan.

24 Sec. 101. Section 523A.102, subsection 11, unnumbered  
25 paragraph 1, Code 2011, is amended to read as follows:

26 "*Financial institution*" means a state or federally insured  
27 bank, savings ~~and loan~~ association, credit union, trust  
28 department thereof, or a trust company authorized to do  
29 business within this state and which has been granted trust  
30 powers under the laws of this state or the United States, which  
31 holds funds under a trust agreement. "*Financial institution*"  
32 does not include:

33 Sec. 102. Section 523C.17, Code 2011, is amended to read as  
34 follows:

35 **523C.17 Lending institutions, service companies, and**

1 insurance companies.

2 A bank, savings ~~and loan~~ association, insurance company, or  
3 other lending institution shall not require the purchase of  
4 a residential service contract as a condition of a loan. A  
5 service company or an insurer, either directly or indirectly,  
6 as a part of any real property transaction in which a  
7 residential service contract will be issued, purchased, or  
8 acquired, shall not require that a residential service contract  
9 be issued, purchased, or acquired in conjunction with or as a  
10 condition precedent to the issuance, purchase, or acquisition,  
11 by any person, of a policy of insurance. A lending institution  
12 shall not sell a residential service contract to a borrower  
13 unless the borrower signs an affidavit acknowledging that  
14 the purchase is not required. Violation of this section is  
15 punishable as provided in section 523C.13.

16 Sec. 103. Section 523I.102, subsection 12, Code 2011, is  
17 amended to read as follows:

18 12. "*Financial institution*" means a state or federally  
19 insured bank, savings ~~and loan~~ association, credit union, trust  
20 department thereof, or a trust company that is authorized to do  
21 business within this state, that has been granted trust powers  
22 under the laws of this state or the United States, and that  
23 holds funds under a trust agreement. "*Financial institution*"  
24 does not include a cemetery or any person employed by or  
25 directly involved with a cemetery.

26 Sec. 104. Section 524.103, subsection 38, Code 2011, is  
27 amended by striking the subsection.

28 Sec. 105. Section 524.107, subsection 2, Code 2011, is  
29 amended to read as follows:

30 2. A person doing business in this state shall not use  
31 the words "bank" or "trust" or use any derivative, plural,  
32 or compound of the words "bank", "banking", "bankers", or  
33 "trust" in any manner which would tend to create the impression  
34 that the person is authorized to engage in the business of  
35 banking or to act in a fiduciary capacity, except a state



1 bank authorized to do so by this chapter, a national bank to  
2 the extent permitted by the laws of the United States, a bank  
3 holding company as defined in section 524.1801, a savings  
4 and loan holding company as defined in 12 U.S.C. § 1467a, a  
5 ~~state association pursuant to section 534.507,~~ or a federal  
6 association to the extent permitted by the laws of the United  
7 States, or, insofar as the word "trust" is concerned, an  
8 individual permissibly serving as a fiduciary in this state,  
9 pursuant to section 633.63, or, insofar as the words "trust"  
10 and "bank" are concerned, a nonresident corporate fiduciary  
11 permissibly serving as a fiduciary in this state pursuant to  
12 section 633.64.

13 Sec. 106. Section 524.211, subsection 1, Code Supplement  
14 2011, is amended to read as follows:

15 1. The superintendent, general counsel, examiners, and  
16 other employees assigned to the bank bureau of the banking  
17 division are prohibited from obtaining a loan of money or  
18 property from a state-chartered bank, ~~a state savings and~~  
19 ~~loan association,~~ or any person or entity affiliated with a  
20 state-chartered bank, ~~or a state savings and loan association,~~  
21 unless they do not personally participate in the examination,  
22 oversight, or official review concerning the regulation of the  
23 bank ~~or savings and loan association.~~

24 Sec. 107. Section 524.216, subsection 2, paragraph b, Code  
25 2011, is amended to read as follows:

26 b. A summary of the assets, liabilities, and capital  
27 structure of all state banks ~~and state savings and loan~~  
28 ~~associations~~ as of June 30 of the year for which the report is  
29 made.

30 Sec. 108. Section 524.821, subsection 1, Code 2011, is  
31 amended to read as follows:

32 1. A state bank may engage in any transaction incidental to  
33 the conduct of the business of banking and otherwise permitted  
34 by applicable law, by means of either the direct transmission  
35 of electronic impulses to or from customers and banks or

1 the recording of electronic impulses or other indicia of a  
2 transaction for delayed transmission to a bank. Subject to the  
3 provisions of chapter 527, a state bank may utilize, establish  
4 or operate, alone or with one or more other banks, savings  
5 and loan associations incorporated under ~~the provisions of~~  
6 ~~chapter 534 or~~ federal law, credit unions incorporated under  
7 the provisions of chapter 533 or federal law, corporations  
8 licensed under chapter 536A, or third parties, the satellite  
9 terminals permitted under chapter 527, by means of which  
10 customers and banks may transmit and receive electronic  
11 impulses constituting transactions pursuant to this section.  
12 However, such utilization, establishment, or operation shall be  
13 lawful only when in compliance with chapter 527. Nothing in  
14 this section shall be construed as authority for any person to  
15 engage in transactions not otherwise permitted by applicable  
16 law, nor shall anything in this section be deemed to repeal,  
17 replace or in any other way affect any applicable law or rule  
18 regarding the maintenance of or access to financial information  
19 maintained by any bank.

20 Sec. 109. Section 524.1401, subsections 1 and 3, Code 2011,  
21 are amended to read as follows:

22 1. Upon compliance with the requirements of this chapter,  
23 one or more state banks, one or more national banks, ~~one or~~  
24 ~~more state associations,~~ one or more federal associations, one  
25 or more corporations, or any combination of these entities,  
26 with the approval of the superintendent, may merge into a state  
27 bank.

28 3. Upon compliance with the requirements of this chapter  
29 ~~and chapter 534,~~ one or more state banks may merge with one or  
30 ~~more state associations or~~ federal associations. The authority  
31 of a state bank to merge into a ~~state or~~ federal association  
32 is subject to the conditions the laws of the United States  
33 authorize at the time of the transaction.

34 Sec. 110. Section 524.1409, Code 2011, is amended to read  
35 as follows:

1     **524.1409 Conversion of national bank or federal savings**  
2 **association ~~or state savings and loan association~~ into state**  
3 **bank.**

4     A national bank, or federal savings association, ~~or state~~  
5 ~~savings and loan association~~, subject to the provisions of this  
6 chapter, may convert into a state bank upon authorization by  
7 and compliance with the laws of the United States, adoption  
8 of a plan of conversion by the affirmative vote of at least  
9 a majority of its directors and the holders of two-thirds of  
10 each class of its shares at a meeting held upon not less than  
11 ten days' notice to all shareholders, and upon approval of the  
12 superintendent.

13     Sec. 111. Section 524.1410, unnumbered paragraph 1, Code  
14 2011, is amended to read as follows:

15     A national bank, or federal savings association, ~~or state~~  
16 ~~savings and loan association~~ shall make an application to the  
17 superintendent for approval of the conversion in a manner  
18 prescribed by the superintendent and shall deliver to the  
19 superintendent, when available:

20     Sec. 112. Section 524.1411, unnumbered paragraph 1, Code  
21 2011, is amended to read as follows:

22     The articles of conversion shall be signed by two duly  
23 authorized officers of the national bank, or federal savings  
24 association, ~~or state savings and loan association~~ and shall  
25 contain all of the following:

26     Sec. 113. Section 524.1411, subsection 1, Code 2011, is  
27 amended to read as follows:

28     1. The name of the national bank, or federal savings  
29 association, ~~or state savings and loan association~~ and the name  
30 of the resulting state bank.

31     Sec. 114. Section 524.1412, unnumbered paragraph 1, Code  
32 2011, is amended to read as follows:

33     Within thirty days after the application for conversion has  
34 been accepted for processing, the national bank, or federal  
35 savings association, ~~or state savings and loan association~~

1 shall publish a notice of the delivery of the articles of  
2 conversion to the superintendent in a newspaper of general  
3 circulation published in the municipal corporation or  
4 unincorporated area in which the national bank, or federal  
5 savings association, ~~or state savings and loan association~~  
6 has its principal place of business, or if there is none, a  
7 newspaper of general circulation published in the county,  
8 or in a county adjoining the county, in which the national  
9 bank, or federal savings association, ~~or state savings and~~  
10 ~~loan association~~ has its principal place of business. Proof  
11 of publication of the notice shall be delivered to the  
12 superintendent within fourteen days. The notice shall set  
13 forth all of the following:

14 Sec. 115. Section 524.1412, subsection 1, Code 2011, is  
15 amended to read as follows:

16 1. The name of the national bank, or federal savings  
17 association, ~~or state savings and loan association~~ and the name  
18 of the resulting state bank.

19 Sec. 116. Section 524.1415, Code 2011, is amended to read  
20 as follows:

21 **524.1415 Effect of filing of articles of conversion with**  
22 **secretary of state.**

23 1. The conversion is effective upon the filing of the  
24 articles of conversion with the secretary of state, or at any  
25 later date and time as specified in the articles of conversion.  
26 The acknowledgment of filing is conclusive evidence of the  
27 performance of all conditions required by this chapter for  
28 conversion of a national bank, or federal savings association,  
29 ~~or state savings and loan association~~ into a state bank, except  
30 as against the state.

31 2. When a conversion becomes effective, the existence of the  
32 national bank, or federal savings association, ~~or state savings~~  
33 ~~and loan association~~ shall continue in the resulting state bank  
34 which shall have all the property, rights, powers, and duties  
35 of the national bank, or federal savings association, ~~or state~~

1 ~~savings and loan association~~, except that the resulting state  
2 bank shall have only the authority to engage in such business  
3 and exercise such powers as it would have, and shall be subject  
4 to the same prohibitions and limitations to which it would be  
5 subject, upon original incorporation under this chapter. The  
6 articles of incorporation of the resulting state bank shall be  
7 the provisions stated in the articles of conversion.

8 3. A liability of the national bank, or federal savings  
9 association, ~~or state savings and loan association~~, or of the  
10 national bank's, or federal savings association's, ~~or state~~  
11 ~~savings and loan association's~~ shareholders, directors, or  
12 officers, is not affected by the conversion. A lien on any  
13 property of the national bank, or federal savings association,  
14 ~~or state savings and loan association~~ is not impaired by the  
15 conversion. A claim existing or action pending by or against  
16 the national bank, or federal savings association, ~~or state~~  
17 ~~savings and loan association~~ may be prosecuted to judgment as  
18 if the conversion had not taken place, or the resulting state  
19 bank may be substituted in its place.

20 4. The title to all real estate and other property owned by  
21 the converting national bank, or federal savings association,  
22 ~~or state savings and loan association~~ is vested in the  
23 resulting state bank without reversion or impairment.

24 Sec. 117. Section 524.1416, Code 2011, is amended to read  
25 as follows:

26 **524.1416 Authority for conversion of state bank into national**  
27 **bank or federal savings association ~~or state savings and loan~~**  
28 **association.**

29 1. A state bank may convert into a national bank, or federal  
30 savings association, ~~or state savings and loan association~~ upon  
31 ~~authorization~~ by and compliance with the laws of the United  
32 States, and adoption of a plan of conversion by the affirmative  
33 vote of at least a majority of its directors and the holders  
34 of two-thirds of each class of its shares at a meeting held  
35 upon not less than ten days' notice to all shareholders. The

1 authority of a state bank to convert into a national bank or  
2 federal savings association shall be subject to the condition  
3 that at the time of the transaction, the laws of the United  
4 States shall authorize a national bank or federal savings  
5 association located in this state, without approval by the  
6 comptroller of the currency of the United States or director  
7 of the office of thrift supervision, as applicable, to convert  
8 into a state bank under limitations and conditions no more  
9 restrictive than those contained in this section and section  
10 524.1417 with respect to conversion of a state bank into a  
11 national bank or federal savings association.

12 2. A state bank which converts into a national bank or  
13 federal savings association shall notify the superintendent of  
14 the proposed conversion, provide such evidence of the adoption  
15 of the plan as the superintendent may request, notify the  
16 superintendent of any abandonment or disapproval of the plan,  
17 and file with the superintendent and with the secretary of  
18 state a certificate of the approval of the conversion by the  
19 comptroller of the currency of the United States or director  
20 of the office of thrift supervision, as applicable, and the  
21 date upon which such conversion is to become effective. A  
22 state bank that converts into a national bank or federal  
23 savings association shall comply with the provisions of section  
24 524.310, subsection 1.

25 ~~3. A state bank that converts into a state savings and~~  
26 ~~loan association shall file with the secretary of state~~  
27 ~~a certificate of the approval of the conversion by the~~  
28 ~~superintendent and the date upon which such conversion is to~~  
29 ~~be effective.~~

30 Sec. 118. Section 524.1417, Code 2011, is amended to read  
31 as follows:

32 **524.1417 Appraisal rights of shareholder of converting state**  
33 **or national bank or federal ~~or state~~ savings association.**

34 1. A shareholder of a state bank that converts into a  
35 national bank, or federal savings association, ~~or a state~~

1 ~~savings and loan association~~ who objects to the plan of  
2 conversion is entitled to appraisal rights as provided in  
3 chapter 490, division XIII.

4 2. If a shareholder of a national bank or federal savings  
5 association that converts into a state bank objects to the plan  
6 of conversion and complies with the requirements of applicable  
7 laws of the United States, the resulting state bank is liable  
8 for the value of the shareholder's shares as determined in  
9 accordance with such laws of the United States.

10 ~~3. If a shareholder of a state savings and loan association~~  
11 ~~that converts to a state bank objects to the plan of conversion~~  
12 ~~and complies with the requirements of applicable laws of this~~  
13 ~~state, the resulting bank is liable for the value of the~~  
14 ~~shareholder's shares as determined in accordance with such laws~~  
15 ~~of this state.~~

16 Sec. 119. Section 524.1418, Code 2011, is amended to read  
17 as follows:

18 **524.1418 Succession to fiduciary accounts and appointments —**  
19 **application for appointment of new fiduciary.**

20 The provisions of section 524.1009 apply to a resulting  
21 state or national bank, or federal savings association, ~~or~~  
22 ~~state savings and loan association~~ after a conversion with the  
23 same effect as though the state or national bank, or federal  
24 savings association, ~~or state savings and loan association~~ were  
25 a party to a plan of merger, and the conversion were a merger,  
26 within the provisions of that section.

27 Sec. 120. Section 524.1805, subsection 5, Code 2011, is  
28 amended to read as follows:

29 5. For purposes of subsection 1, a bank that resulted from  
30 the conversion of a ~~state savings and loan association or~~  
31 federal savings association, as defined in 12 U.S.C. § 1813,  
32 is deemed to have been in continuous existence and operation  
33 as a bank for the combined periods of continuous existence and  
34 operation of the bank and the association from which it was  
35 converted.

1     Sec. 121. Section 527.2, subsections 2 and 9, Code 2011, are  
2 amended to read as follows:

3     2. "*Administrator*" means and includes the superintendent of  
4 banking, ~~the superintendent of savings and loan associations,~~  
5 and the superintendent of credit unions within the department  
6 of commerce and the supervisor of industrial loan companies  
7 within the office of the superintendent of banking. However,  
8 the powers of administration and enforcement of this chapter  
9 shall be exercised only as provided in sections 527.3, 527.5,  
10 subsection 7, sections 527.11, 527.12, and any other pertinent  
11 provision of this chapter.

12     9. "*Financial institution*" means and includes any bank  
13 incorporated under the provisions of any state or federal  
14 law, any savings and loan association incorporated under the  
15 provisions of ~~any state or federal law,~~ any credit union  
16 organized under the provisions of any state or federal law,  
17 any corporation licensed as an industrial loan company under  
18 chapter 536A, and any affiliate of a bank, savings and loan  
19 association, credit union, or industrial loan company.

20     Sec. 122. Section 527.3, subsection 1, Code 2011, is amended  
21 to read as follows:

22     1. For purposes of this chapter the superintendent of  
23 banking only has the power to issue rules applicable to, to  
24 accept and approve or disapprove applications or informational  
25 statements from, to conduct hearings and revoke any  
26 approvals relating to, and to exercise all other supervisory  
27 authority created by this chapter with respect to banks; ~~the~~  
28 ~~superintendent of savings and loan associations only shall have~~  
29 ~~and exercise such powers and authority with respect to savings~~  
30 ~~and loan associations;~~ the superintendent of credit unions only  
31 has such powers and authority with respect to credit unions;  
32 and the superintendent of banking or the superintendent's  
33 designee only has such powers and authority with respect to  
34 industrial loan companies.

35     Sec. 123. Section 527.5, subsection 11, paragraph d, Code



1 2011, is amended to read as follows:

2     *d.* For purposes of this subsection, a national card  
3 association must be a membership corporation or organization,  
4 wherever incorporated and maintaining a principal place of  
5 business, which is engaged in the business of administering for  
6 the benefit of the association's members a program involving  
7 electronic funds transfer transaction cards or access devices  
8 depicting a service mark, logo, or trademark associated with  
9 the national card association and which may be utilized to  
10 perform transactions at point-of-sale terminals. A national  
11 card association must have a membership solely comprised of  
12 insured depository financial institutions, organizations  
13 directly or indirectly owned or controlled solely by insured  
14 depository financial institutions, entities wholly owned  
15 by one or more insured depository financial institutions,  
16 holding companies having at least two-thirds of their assets  
17 consisting of the voting stock of insured depository financial  
18 institutions, organizations wholly owned by one or more  
19 holding companies having at least two-thirds of their assets  
20 consisting of the voting stock of insured depository financial  
21 institutions and which are solely engaged in activities related  
22 to the programs sponsored by the national card association, or  
23 such other entities or organizations which are authorized by  
24 the national card association's bylaws to participate in the  
25 electronic funds transfer transaction card or access device  
26 programs or other services and programs sponsored by the  
27 national card association. For purposes of this subsection,  
28 a national card association shall not include a financial  
29 institution, bank holding company as defined in section  
30 524.1801, or in the federal Bank Holding Company Act of 1956,  
31 12 U.S.C. § 1842(d), as amended to July 1, 1994, ~~association~~  
32 ~~holding company as defined in section 534.102, or a supervised~~  
33 ~~organization as defined in section 534.102, or~~ any other  
34 financial institution holding company organized under federal  
35 or state law, or a subsidiary or affiliate corporation owned or

1 controlled by a financial institution or financial institution  
2 holding company, which has authorized a customer or member  
3 to engage in satellite terminal transactions. For purposes  
4 of this subsection, a national card association shall also  
5 not include a membership corporation or organization which  
6 is conducting business as a regional or nationwide network  
7 of shared electronic funds transfer terminals which do not  
8 constitute point-of-sale terminals, and is engaged in satellite  
9 terminal transaction services utilizing a common service mark,  
10 logo, or trademark to identify such terminal services.

11 Sec. 124. Section 527.9, subsection 5, Code 2011, is amended  
12 to read as follows:

13 5. *a.* Effective July 1, 1987, a person owning or operating  
14 a central routing unit authorized under this section shall  
15 include public representation on any board setting policy for  
16 the central routing unit. Four or five public members shall be  
17 appointed to the board in the following manner:

18 (1) ~~Two~~ Three members shall be appointed by the  
19 superintendent of banking.

20 (2) One member shall be appointed by the superintendent of  
21 credit unions.

22 ~~(3) One member shall be appointed by the superintendent of~~  
23 ~~savings and loan associations.~~

24 ~~(4)~~ (3) If an industrial loan company is connected to the  
25 central routing unit, one member shall be appointed by the  
26 superintendent of banking.

27 *b.* The superintendent of banking, and superintendent  
28 of credit unions, ~~and superintendent of savings and loan~~  
29 ~~associations~~ shall form a committee to set, in conjunction  
30 with the entity owning or operating the central routing unit,  
31 the term of office, the rate of compensation, and the rate of  
32 reimbursement for each public member. However, the public  
33 members shall be entitled to reasonable compensation and  
34 reimbursement from the board.

35 *c.* Each public member is entitled to all the rights of

1 participation and voting as any other member of the board.

2 The public members are to represent the interest of consumers  
3 and the business and agricultural communities in establishing  
4 policies for the central routing unit.

5     *d.* It is the intention of the general assembly that the  
6 ratio of public members to the overall membership of the  
7 board shall not be less than one public member for each seven  
8 members of the board. If the number of members on the board  
9 is increased, then the number of members appointed pursuant to  
10 paragraph "a" shall be increased to maintain the minimum ratio.  
11 In this event, ~~a committee composed of the superintendent of~~  
12 ~~banking, and the superintendent of credit unions, and the~~  
13 ~~superintendent of savings and loan associations~~ shall appoint  
14 additional public members in order to maintain the minimum  
15 ratio.

16     *e.* An individual shall not be appointed as a public member  
17 pursuant to this subsection if the individual is a director of  
18 a financial institution or is directly employed by a financial  
19 institution doing business in this state.

20     Sec. 125. Section 528.2, subsection 1, Code 2011, is amended  
21 to read as follows:

22     1. "*Administrator*" means the superintendent of banking,  
23 ~~the superintendent of savings and loan associations,~~ and the  
24 superintendent of credit unions within the department of  
25 commerce.

26     Sec. 126. Section 533.301, subsection 4, Code Supplement  
27 2011, is amended to read as follows:

28     4. Make deposits in state and national banks, ~~state and~~  
29 federal savings banks or savings and loan associations, and  
30 state and federal credit unions, the accounts of which are  
31 insured by the federal deposit insurance corporation or the  
32 national credit union share insurance fund.

33     Sec. 127. Section 533.301, subsection 5, paragraph a, Code  
34 Supplement 2011, is amended to read as follows:

35     *a.* Time deposits in state and national banks, ~~state and~~

1 federal savings banks or savings and loan associations, and  
2 state and federal credit unions, the deposits of which are  
3 insured by the federal deposit insurance corporation or the  
4 national credit union share insurance fund.

5 Sec. 128. Section 533.301, subsection 18, paragraph a, Code  
6 Supplement 2011, is amended to read as follows:

7 a. Subject to the provisions of chapter 527, a state credit  
8 union may utilize, establish, or operate, alone or with one  
9 or more other credit unions, banks incorporated under chapter  
10 524 or federal law, savings and loan associations incorporated  
11 under ~~chapter 534~~ or federal law, corporations licensed  
12 under chapter 536A, or third parties, the satellite terminals  
13 permitted under chapter 527, by means of which the state credit  
14 union may transmit to or receive from any member electronic  
15 impulses constituting transactions pursuant to this subsection.  
16 However, such utilization, establishment, or operation shall be  
17 lawful only when in compliance with chapter 527.

18 Sec. 129. Section 533.305, subsection 4, paragraph c, Code  
19 2011, is amended by striking the paragraph.

20 Sec. 130. Section 533.313, subsection 1, paragraph c, Code  
21 2011, is amended to read as follows:

22 c. The term does not include a draft issued by a state  
23 credit union for the transfer of funds between the issuing  
24 credit union and another credit union, a bank, a savings and  
25 loan association chartered under federal law, or another  
26 depository financial institution.

27 Sec. 131. Section 533A.2, subsection 2, paragraph b, Code  
28 2011, is amended to read as follows:

29 b. Banks, federally chartered savings and loan associations,  
30 credit unions, mortgage bankers and mortgage brokers licensed  
31 or registered under chapter 535B, insurance companies and  
32 similar fiduciaries, regulated loan companies licensed under  
33 chapter 536, and industrial loan companies licensed under  
34 chapter 536A, authorized and admitted to transact business in  
35 this state and performing credit and financial adjusting in the

1 regular course of their principal business, or while performing  
2 an escrow function.

3 Sec. 132. Section 535.2, subsection 2, paragraph b,  
4 subparagraph (6), Code Supplement 2011, is amended to read as  
5 follows:

6 (6) With respect to any transaction referred to in paragraph  
7 "a" of this subsection, this subsection supersedes any  
8 interest-rate or finance-charge limitations contained in the  
9 Code, including but not limited to this chapter and chapters  
10 321, 322, 524, 533, ~~534~~, 536A, and 537.

11 Sec. 133. Section 535.8, subsection 2, paragraph b,  
12 subparagraph (3), Code 2011, is amended to read as follows:

13 (3) A lender shall not charge the borrower any costs other  
14 than expressly permitted by this paragraph "b". However,  
15 additional costs incurred in connection with a loan under this  
16 paragraph "b", if bona fide and reasonable, may be collected by  
17 a state-chartered financial institution licensed under chapter  
18 ~~524~~, or 533, ~~or 534~~, to the extent permitted under applicable  
19 federal law as determined by the office of the comptroller of  
20 the currency of the United States department of treasury, the  
21 national credit union administration, or the office of thrift  
22 supervision of the United States department of treasury. Such  
23 costs shall apply only to the same type of state-chartered  
24 entity as the federally chartered entity affected and shall  
25 apply to and may be collected by an insurer organized under  
26 chapter 508 or 515, or otherwise authorized to conduct the  
27 business of insurance in this state.

28 Sec. 134. Section 535A.2, subsection 2, paragraph b, Code  
29 2011, is amended by striking the paragraph.

30 Sec. 135. Section 535B.11, subsection 3, paragraph b, Code  
31 2011, is amended to read as follows:

32 b. Compliance with sections 524.905, 533.315, ~~534.206~~, and  
33 536A.20 shall constitute compliance with this subsection.

34 Sec. 136. Section 535C.2, subsection 4, paragraph i, Code  
35 2011, is amended by striking the paragraph.

1     Sec. 137. Section 536A.24, Code 2011, is amended to read as  
2 follows:

3     **536A.24 Electronic transactions.**

4     A licensee may engage in any transaction otherwise permitted  
5 by this chapter and applicable law, by means of either the  
6 direct transmission of electronic impulses or other indicia  
7 of a transaction for delayed transmission to the licensee.  
8 Subject to the provisions of chapter 527, a licensee may  
9 utilize, establish or operate, alone or with one or more  
10 other licensees, banks incorporated under the provisions of  
11 chapter 524 or federal law, credit unions incorporated under  
12 the provisions of chapter 533 or federal law, savings and loan  
13 associations incorporated under the provisions of ~~chapter 534~~  
14 ~~or~~ federal law, or third parties, the satellite terminals  
15 permitted under chapter 527, by means of which the licensee may  
16 transmit to or receive from any customer electronic impulses  
17 constituting transactions pursuant to this section. However,  
18 such utilization, establishment or operation is lawful only  
19 when in compliance with chapter 527. Nothing in this section  
20 authorizes a licensee or other person to engage in transactions  
21 not otherwise permitted by applicable law, nor does anything  
22 in this section repeal, replace or in any other way affect any  
23 applicable law or rule regarding the maintenance of or access  
24 to financial information maintained by a licensee.

25     Sec. 138. Section 536C.2, subsection 1, Code 2011, is  
26 amended to read as follows:

27     1. "*Administrator*" means the superintendent of banking,  
28 ~~the superintendent of savings and loan associations or the~~  
29 ~~superintendent's successor,~~ or the superintendent of credit  
30 unions. However, the powers of administration and enforcement  
31 of this chapter are to be exercised pursuant to section  
32 536C.14.

33     Sec. 139. Section 536C.3, Code 2011, is amended to read as  
34 follows:

35     **536C.3 Exemptions.**

1 This chapter does not apply to a bank chartered under  
2 chapter 524 or a bank chartered under federal law which has its  
3 principal place of business located in this state, ~~a savings~~  
4 ~~and loan association chartered under chapter 534~~ or a savings  
5 and loan association chartered under federal law which has its  
6 principal place of business located in this state, a credit  
7 union chartered under chapter 533 or a credit union chartered  
8 under federal law which has its principal place of business  
9 located in this state, regulated loan companies licensed under  
10 chapter 536, or industrial loan companies licensed under  
11 chapter 536A.

12 Sec. 140. Section 536C.14, subsection 3, Code 2011, is  
13 amended by striking the subsection.

14 Sec. 141. Section 537.1108, subsection 2, Code 2011, is  
15 amended to read as follows:

16 2. This chapter does not displace limitations on powers of  
17 credit unions, savings ~~and loan~~ associations, or other thrift  
18 institutions whether organized for the profit of shareholders  
19 or as mutual organizations.

20 Sec. 142. Section 537.1301, subsection 3, Code 2011, is  
21 amended to read as follows:

22 3. "*Affiliate*" as used in reference to a state bank means  
23 the same as defined in section 524.1101. "*Affiliate*" as used  
24 in reference to a national banking association means the  
25 same as defined in section 524.1101, except that the term  
26 "national banking association" shall be substituted for the  
27 term "state bank". "*Affiliate*" as used in reference to a  
28 federally chartered or out-of-state chartered savings and  
29 loan association shall mean the same as defined in 12 C.F.R.  
30 § 561.4.

31 Sec. 143. Section 537.1301, subsection 44, Code 2011, is  
32 amended to read as follows:

33 44. "*Supervised financial organization*" means a person,  
34 other than an insurance company or other organization  
35 primarily engaged in an insurance business, which is organized,

1 chartered, or holding an authorization certificate pursuant to  
2 chapter 524, or 533, ~~or 534~~, or pursuant to the laws of any  
3 other state or of the United States which authorizes the person  
4 to make loans and to receive deposits, including a savings,  
5 share, certificate or deposit account, and which is subject to  
6 supervision by an official or agency of this state, such other  
7 state, or of the United States.

8 Sec. 144. Section 537.2301, subsection 1, Code 2011, is  
9 amended to read as follows:

10 1. As used in this part, "*licensing authority*" means the  
11 agency designated in chapter 524, 533, ~~534~~, 536, or 536A to  
12 issue licenses or otherwise authorize the conduct of business  
13 pursuant to the respective chapter or this chapter, and  
14 "*licensee*" includes any person subject to regulation by a  
15 licensing authority. "*License*" includes the authorization, of  
16 whatever form, to engage in the conduct regulated under those  
17 chapters.

18 Sec. 145. Section 537.2305, subsection 1, Code 2011, is  
19 amended to read as follows:

20 1. For the purpose of discovering violations of this chapter  
21 or securing information lawfully required, the licensing  
22 authority shall examine periodically at intervals the licensing  
23 authority deems appropriate, but not less frequently than is  
24 required for other examinations of the licensee by section  
25 524.217, 533.113, ~~534.401~~, 536.10, or 536A.15, whichever is  
26 applicable, the loans, business, and records of every licensee,  
27 except a licensee which has no office physically located in  
28 this state and engages in no face-to-face solicitation in this  
29 state. In addition, the licensing authority may at any time  
30 investigate the loans, business, and records of any lender.  
31 For these purposes the licensing authority shall be given free  
32 and reasonable access to the offices, places of business, and  
33 records of the lender.

34 Sec. 146. Section 537.2501, subsection 1, paragraph j, Code  
35 2011, is amended to read as follows:



1     *j.* For a consumer loan where the amount financed does not  
2 exceed three thousand dollars and the term of the loan does  
3 not exceed twelve months, a bank, ~~savings bank, savings and~~  
4 ~~loan association, or~~ credit union incorporated pursuant to  
5 state or federal law, or a federally chartered or out-of-state  
6 chartered savings bank or savings and loan association may  
7 charge an additional application fee not to exceed the lesser  
8 of ten percent of the amount financed or thirty dollars. If  
9 the loan is not approved, the application fee shall not exceed  
10 the lesser of ten percent of the amount applied for by the  
11 applicant or thirty dollars. The fee permitted pursuant to  
12 this paragraph shall not be charged in connection with a loan  
13 used for the purchase of a motor vehicle, or for a loan where  
14 the borrower's dwelling is used as security.

15     Sec. 147. Section 537.6105, subsection 1, Code 2011, is  
16 amended to read as follows:

17     1. With respect to supervised financial organizations  
18 subject to regulation under ~~chapters~~ chapter 524, or 533 ~~and~~  
19 ~~534~~, and persons licensed under chapters 536 and 536A, the  
20 powers of examination and investigation as provided in sections  
21 537.2305 and 537.6106, and administrative enforcement as  
22 provided in sections 537.2303 and 537.6108, shall be exercised  
23 by the official or agency to whose supervision the person is  
24 subject. All other powers of the administrator under this  
25 chapter may be exercised by the administrator with respect  
26 to such persons. In all actions or other court proceedings  
27 brought to enforce this chapter, the attorney general or the  
28 attorney general's designee shall participate.

29     Sec. 148. Section 537.6201, Code 2011, is amended to read  
30 as follows:

31     **537.6201 Applicability.**

32     This part applies to all of the following:

33     1. Creditors engaged in consumer credit transactions  
34 and acts, practices or conduct involving consumer credit  
35 transactions to which this chapter applies pursuant to section

1 537.1201, but not to those licensed, certificated, or otherwise  
2 authorized to engage in business by chapter 524, 533, ~~534~~, 536  
3 or 536A.

4 2. Debt collectors, as defined in section 537.7102,  
5 subsection 5, to whose acts, practices, or conduct this  
6 chapter applies pursuant to section 537.1201 if the total  
7 debt collected by a debt collector in the preceding calendar  
8 year exceeds twenty-five thousand dollars, or if not, if the  
9 total debt collected during the current calendar year exceeds  
10 twenty-five thousand dollars, but this part does not apply to  
11 those licensed, certified, or otherwise authorized to engage in  
12 business under chapter 524, 533, ~~534~~, 536, or 536A.

13 Sec. 149. Section 537.7103, subsection 4, paragraph b,  
14 subparagraph (2), Code 2011, is amended to read as follows:

15 (2) Communications issued directly by a state bank as  
16 defined in section 524.103 or its affiliate, a state bank  
17 chartered under the laws of any other state or its affiliate, a  
18 national banking association or its affiliate, a trust company,  
19 a federally chartered savings and loan association or savings  
20 bank or its affiliate, an out-of-state chartered savings and  
21 loan association or savings bank or its affiliate, a financial  
22 institution chartered by the federal home loan bank board, ~~an~~  
23 ~~association incorporated or authorized to do business under~~  
24 ~~chapter 534~~, a state or federally chartered credit union, a  
25 credit union service organization, or a company or association  
26 organized or authorized to do business under chapter 515, 518,  
27 518A, or 520, or an officer, employee, or agent of such company  
28 or association, provided the communication does not deceptively  
29 conceal its origin or its purpose.

30 Sec. 150. Section 543B.46, subsections 1, 2, and 3, Code  
31 2011, are amended to read as follows:

32 1. Each real estate broker shall maintain a common trust  
33 account in a bank, a savings ~~and loan~~ association, ~~savings~~  
34 ~~bank~~, or credit union for the deposit of all down payments,  
35 earnest money deposits, or other trust funds received by the

1 broker or the broker's salespersons on behalf of the broker's  
2 principal, except that a broker acting as a salesperson shall  
3 deposit these funds in the common trust account of the broker  
4 for whom the broker acts as salesperson. The account shall  
5 be an interest-bearing account. The interest on the account  
6 shall be transferred quarterly to the treasurer of state and  
7 transferred to the Iowa finance authority for deposit in the  
8 housing trust fund established in section 16.181 unless there  
9 is a written agreement between the buyer and seller to the  
10 contrary. The broker shall not benefit from interest received  
11 on funds of others in the broker's possession.

12 2. Each broker shall notify the real estate commission of  
13 the name of each bank or savings ~~and loan~~ association in which  
14 a trust account is maintained and also the name of the account  
15 on forms provided therefor.

16 3. Each broker shall authorize the real estate commission to  
17 examine each trust account and shall obtain the certification  
18 of the bank or savings ~~and loan~~ association attesting to each  
19 trust account and consenting to the examination and audit  
20 of each account by a duly authorized representative of the  
21 commission. The certification and consent shall be furnished  
22 on forms prescribed by the commission. This subsection does  
23 not apply to an individual farm account maintained in the  
24 name of the owner or owners for the purpose of conducting  
25 ongoing farm business whether it is conducted by the farm owner  
26 or by an agent or farm manager when the account is part of  
27 a farm management agreement between the owner and agent or  
28 manager. This subsection also does not apply to an individual  
29 property management account maintained in the name of the  
30 owner or owners for the purpose of conducting ongoing property  
31 management whether it is conducted by the property owner or  
32 by an agent or manager when the account is part of a property  
33 management agreement between the owner and agent or manager.

34 Sec. 151. Section 546.3, subsection 1, Code 2011, is amended  
35 to read as follows:

1     1. The banking division shall regulate and supervise banks  
2 under chapter 524, debt management licensees under chapter  
3 533A, money services under chapter 533C, delayed deposit  
4 services under chapter 533D, ~~savings and loan associations~~  
5 ~~under chapter 534~~, mortgage bankers and brokers under  
6 chapter 535B, regulated loan companies under chapter 536, and  
7 industrial loan companies under chapter 536A, and shall perform  
8 other duties assigned to the division by law. The division  
9 is headed by the superintendent of banking who is appointed  
10 pursuant to section 524.201. The state banking council  
11 shall render advice within the division when requested by the  
12 superintendent.

13     Sec. 152. Section 551A.4, subsection 1, paragraph a, Code  
14 2011, is amended to read as follows:

15     a. The offer or sale of a business opportunity if the  
16 purchaser is a bank, federally chartered savings and loan  
17 association, trust company, insurance company, credit union,  
18 or investment company as defined by the federal Investment  
19 Company Act of 1940, a pension or profit-sharing trust, or  
20 other financial institution or institutional buyer, or a  
21 broker-dealer registered pursuant to chapter 502, whether the  
22 purchaser is acting for itself or in a fiduciary capacity.

23     Sec. 153. Section 556.1, subsections 1 and 4, Code 2011, are  
24 amended to read as follows:

25     1. "*Banking organization*" means any bank, trust company,  
26 savings bank, savings association, industrial bank, land bank,  
27 safe deposit company, or a private banker engaged in business  
28 in this state.

29     4. "*Financial organization*" means any ~~savings and loan~~  
30 ~~association, building and loan association,~~ federally chartered  
31 savings and loan association, credit union, cooperative bank or  
32 investment company, engaged in business in this state.

33     Sec. 154. Section 636.23, subsections 10 and 14, Code 2011,  
34 are amended to read as follows:

35     10. ~~Building and loan~~ Savings associations. Shares

1 of ~~building and loan associations and savings and loan~~  
2 ~~associations, incorporated under the laws of Iowa and in shares~~  
3 ~~of federal savings and loan associations organized under the~~  
4 laws of the United States of America.

5 14. *Limitation as to court-approved investments.* This  
6 section does not prohibit investment of such funds in a savings  
7 account or time certificate of deposit of a bank or savings  
8 ~~and loan~~ association located within the city or its county of  
9 this state and when first approved by the court. However, a  
10 city that is the trustee of a cemetery as provided in section  
11 523I.508 may invest perpetual care funds in a savings account  
12 or certificates of deposit at a bank ~~or savings and loan~~  
13 ~~association~~ located in this state without court approval.

14 Sec. 155. Section 636.45, subsection 1, unnumbered  
15 paragraph 1, Code Supplement 2011, is amended to read as  
16 follows:

17 Insurance companies, savings ~~and loan~~ associations,  
18 trustees, guardians, executors, administrators, and other  
19 fiduciaries, the state and its political subdivisions, and  
20 institutions and agencies thereof, and all other persons,  
21 associations, and corporations:

22 Sec. 156. Section 636.45, subsection 2, Code Supplement  
23 2011, is amended to read as follows:

24 2. It shall be lawful for insurance companies, savings  
25 ~~and loan~~ associations, trustees, guardians, executors,  
26 administrators, and other fiduciaries, the state and its  
27 political subdivisions, and institutions and agencies thereof,  
28 and all other persons, associations, and corporations, subject  
29 to the laws of this state, to originate real estate loans  
30 which are guaranteed or insured by the secretary of the United  
31 States department of veterans affairs under the provisions of  
32 38 U.S.C. § 3701 et seq., and originate loans secured by real  
33 property or leasehold, as the federal housing administrator  
34 insures or makes a commitment to insure pursuant to Tit. II of  
35 the National Housing Act (1934), and may obtain such insurance

1 and may invest their funds, and the moneys in their custody or  
2 possession, eligible for investment, in bonds and notes secured  
3 by mortgage or trust deed insured by the federal housing  
4 administrator, and in the debentures issued by the federal  
5 housing administrator pursuant to Tit. II of the National  
6 Housing Act (1934), and in securities issued by national  
7 mortgage associations or similar credit institutions now or  
8 hereafter organized under Tit. III of the National Housing  
9 Act (1934), and in real estate loans which are guaranteed or  
10 insured by the secretary of the United States department of  
11 veterans affairs under the provisions of 38 U.S.C. § 3701 et  
12 seq.

13 Sec. 157. REPEAL. Chapter 534, Code and Code Supplement  
14 2011, is repealed.

15 EXPLANATION

16 This bill relates to matters under the purview of the banking  
17 division of the department of commerce.

18 MUTUAL OWNERSHIP FOR STATE BANKS. Division I of the bill  
19 authorizes mutual ownership for state chartered banks and state  
20 holding companies. The division defines a "mutual corporation"  
21 as a corporation that is incorporated on a mutual ownership  
22 basis pursuant to Code chapter 524 as amended by the division,  
23 or converted to become subject to the Code chapter, and which  
24 does not have authority to issue capital stock. The division  
25 defines a "mutual holding company" as a bank holding company  
26 that is a mutual corporation or that owns or controls a mutual  
27 corporation. The division authorizes the superintendent of  
28 banking to adopt rules to ensure that a state bank incorporated  
29 as a mutual corporation is operating in a safe and sound manner  
30 and is subject to the superintendent's authority in the same  
31 manner as a state bank incorporated as a stock corporation,  
32 and makes several modifications to existing provisions in Code  
33 chapter 524 to differentiate between stock corporations and  
34 mutual corporations.

35 The division provides that a mutual corporation, a mutual

1 holding company, a federal mutual association, or a federal  
2 mutual holding company may convert into a stock corporation  
3 that is either a state bank or a state bank mutual bank holding  
4 company upon approval of the superintendent. An application  
5 for approval of the conversion shall include submission of  
6 articles of conversion, a business plan addressing factors  
7 prescribed by the superintendent, proof of publication of a  
8 notice of conversion, and applicable filing and recording fees.

9     The division provides that a state bank may be owned,  
10 directly or indirectly, by a mutual bank holding company.  
11 The division authorizes a mutual holding company authorized  
12 pursuant to specified federal regulations to convert to a  
13 mutual bank holding company. The division also authorizes a  
14 mutual corporation to reorganize as a mutual holding company as  
15 prescribed in specified federal regulations, which would then  
16 be regarded as a mutual bank holding company subject to Code  
17 chapter 524. The division states that a mutual bank holding  
18 company shall also be subject to Code chapter 490, the Iowa  
19 business corporations Act, and provides that if a provision  
20 of the Iowa business corporations Act conflicts with the  
21 provisions of Code chapter 524 or a rule of the superintendent,  
22 the provisions of Code chapter 524 or rule shall control.

23     The division authorizes the superintendent to adopt rules  
24 pursuant to Code chapter 17A pertaining to mutual bank holding  
25 companies and reorganizations into mutual bank holding  
26 companies.

27     Division I takes effect upon enactment.

28     MISCELLANEOUS PROVISIONS. Division II of the bill  
29 provides exemptions from provisions governing loans and other  
30 transactions between a state bank and affiliates of the bank  
31 contained in Code section 524.1102. The division authorizes  
32 a state bank to own federal home loan bank shares in an amount  
33 exceeding 15 percent of the state bank's aggregate capital,  
34 but not exceeding 25 percent of the state bank's aggregate  
35 capital, if the ownership of shares exceeding 15 percent

1 is needed to support the state bank's participation in the  
2 federal home loan bank's acquired member assets program as  
3 provided for in 12 C.F.R. pt. 955. The division states that  
4 the superintendent may, in the superintendent's discretion, by  
5 regulation or order, exempt transactions or relationships from  
6 the requirements of that Code section if the superintendent  
7 finds such exemptions to be in the public interest and  
8 consistent with the purposes of the Code section. The division  
9 provides that a state bank may request an exemption from the  
10 requirements of Code section 524.1102 by submitting a written  
11 request to the superintendent including a detailed description  
12 of the transaction or relationship for which the state bank  
13 seeks the exemption, a statement of the reasons for exemption  
14 of the transaction or relationship, and an explanation of how  
15 the exemption would be in the public interest and consistent  
16 with the purposes of the Code section.

17 The division also modifies provisions relating to the  
18 involuntary dissolution of a state bank. The division  
19 eliminates the option of the superintendent applying to  
20 the district court for the county in which the state bank  
21 is located for appointment as receiver for the state bank,  
22 providing instead that the superintendent shall tender the  
23 receivership to the federal deposit insurance corporation. The  
24 division states that thereafter the affairs of the state bank  
25 shall be governed by specified sections of Code chapter 524,  
26 and by the provisions of federal law, and shall be subject  
27 to federal court jurisdiction. The division specifies that  
28 federal law shall govern in the event of a conflict between  
29 state and federal law provisions.

30 The division provides that under the receivership, the  
31 rights of depositors and other creditors of the insured state  
32 bank shall be determined in accordance with Iowa law, and that  
33 the federal deposit insurance corporation as receiver shall  
34 possess all the powers, rights, and privileges provided under  
35 Code section 524.1311, except insofar as that Code section



1 may be in conflict with the laws of the United States. The  
2 division also provides that if the federal deposit insurance  
3 corporation pays or makes available for payment the insured  
4 deposit liabilities of an insured state bank, the federal  
5 deposit insurance corporation shall be subrogated by operation  
6 of law to all rights against such insured state bank of  
7 the owners of such deposits in the same manner and to the  
8 same extent as subrogation of the federal deposit insurance  
9 corporation is provided for in applicable federal law in the  
10 case of a national bank. These provisions are currently  
11 contained in Code section 524.1313, which applied if the  
12 superintendent had optionally designated the federal deposit  
13 insurance corporation as receiver, rather than as mandated by  
14 the division. Accordingly, that Code section is repealed.

15 The division makes conforming changes relating to the  
16 federal deposit insurance corporation being appointed as  
17 receiver in Code section 524.1311 relating to receivership  
18 procedures. The division deletes a provision that all expenses  
19 of the receivership and dissolution shall be fixed by the  
20 superintendent, subject to the approval of the district court,  
21 and shall be paid out of the assets of the state bank. The  
22 division provides that after the involuntary dissolution, the  
23 superintendent shall file notice of the dissolution with the  
24 secretary of state and the county recorder of the county in  
25 which the state bank is located, that no fee shall be charged  
26 by the secretary of state or the county recorder for the filing  
27 or recording, and that the corporate existence of the state  
28 bank shall cease upon filing of the notice of dissolution  
29 with the secretary of state. The division deletes provisions  
30 contained in Code section 524.1311 which had related to filing  
31 of a final report by the superintendent and filing of a decree  
32 of dissolution by the district court.

33 The division additionally provides, with respect to  
34 examinations of the books, accounts, records, and files  
35 of a mortgage banker licensee, that the superintendent of

1 banking acting as the administrator under Code chapter 535B  
2 may furnish information relating to supervision of closing  
3 agent licensees whose activities relate to the issuance of  
4 title guaranty certificates issued by the title guaranty  
5 division of the Iowa finance authority to the title guaranty  
6 division. The bill states that the title guaranty division may  
7 use this information to satisfy its reinsurance requirements  
8 and may provide the information to its reinsurer to the  
9 extent necessary to satisfy reinsurer requirements provided  
10 the reinsurer agrees to maintain the confidentiality of the  
11 information. The bill directs the title guaranty division to  
12 maintain the confidentiality of all other information provided  
13 in the course of the examination.

14 The provisions of division II regarding involuntary  
15 dissolution take effect upon enactment.

16 SAVINGS AND LOAN ASSOCIATIONS. Division III of the bill  
17 repeals Code chapter 534, relating to state savings and loan  
18 associations. The division makes conforming changes consistent  
19 with the repeal of the Code chapter. The bill additionally  
20 deletes references to building and loan associations and, where  
21 appropriate, to savings banks.

22 Additionally, the division replaces references in Code  
23 section 12C.13 relating to deposits of public funds not  
24 constituting being a shareholder, stockholder, or owner of  
25 a corporation in violation of specified provisions of law  
26 with references to Code chapter 524 and a mutual corporation  
27 as defined in the bill. Further, the bill modifies the  
28 representation of public members on boards establishing policy  
29 for a central routing unit under Code section 527.9.